DMart
Daily Discounts Daily Savings

GOOD PRODUCTS GREAT VALUE

2021-22
ANNUAL REPORT
AVENUE SUPERMARTS LIMITED

Contents

Key Highlights FY 2021-22

₹30,353 cr
Revenue from Operations

₹2,502 cr
EBITDA

₹1,616 cr
Profit After Tax

284
# of Stores

10/1
# of States and Union Territory and NCR

50
# of New Stores Added

11.5 mn sq. ft.
Retail Business Area

Good Products
Great Value

We continue to provide our customers with a wide range of everyday value retail products.

About DMart

DMart was conceived by value investor Mr. Radhakishan Damani in the year 2000, who at the time was operating a single store in Maharashtra. With a mission to be the lowest-priced retailer in its area of operation, DMart has grown steadily over the years, and operates 284 stores in 10 States, 1 Union Territory and NCR. The Company has delivered stable performance across stakeholder metrics by focusing on financial fundamentals, with fortitude and strong conviction.

OUR BEGINNING

By the late 1990s, our founder, Mr. Radhakishan Damani, was already established as one of the more successful and well-known value investors in the Indian equity markets. Through his investing style, he had developed a very keen understanding of the Indian consumer sector and its psyche. He was anxious to start a business beyond investing, which would enable him to test his hypothesis about the Indian consumer. After a couple of years of introspection and research, he decided to start a grocery retail chain, focusing primarily on the value segment.

DMart, our retail chain, was conceived by him in the year 2000. Mr. Damani imagined the retail business with the same values of simplicity, speed, and nimbleness that he espoused in his stellar investing career.

A focus on financial fundamentals, high levels of patience and strong conviction have been the bedrock on which the Company's values and business direction have been built.

DMart took eight years to start its first ten stores. This wasn't because of dearth of investment opportunities, but more because of his belief in the importance of validating the business model from a perspective of both profitability and scalability. His beginnings at DMart were frugal. For a number of years since inception, DMart's corporate operations were run from a small space carved out from one of the early stores. He and his early leadership team worked together as one cohesive unit without any hierarchy or barriers.

More importantly, from the very beginning, he had the foresight to understand and strongly believed that any business needs the right blend of entrepreneurship and professionalism. Entrepreneurship to build and strengthen the concept in its formative years, and professionalism to allow a committed team to create, sustain and grow a scalable business model into the future.

Today, DMart continues to focus on this early belief system created during our formative years. We have a good blend of entrepreneurial spirit and high-quality execution. We humbly attribute our success to the values and the way of business thinking that our founder has instilled in us.

DMart

Core Values, Vision and Mission

OUR CORE VALUES

Action

Focus
To be focused about what I do.

Motivated
To have a strong drive towards achieving my goals.

Enthusiastic
To love what I do.

Care

Respect
To respect every individual in the organisation, treat her/him with dignity and pay due consideration to make her/him believe that she/he makes a difference to the organisation.

Listen
To listen and resolve any employee / partner / customer grievance quickly and fairly.

Truth

Integrity
To be open, honest and fair in all our relationships with highest level of personal and business integrity.

OUR VISION

It is our continuous endeavor to investigate, identify and make available new products / categories for the customer's everyday use and at the 'best' value than anybody else.

OUR MISSION

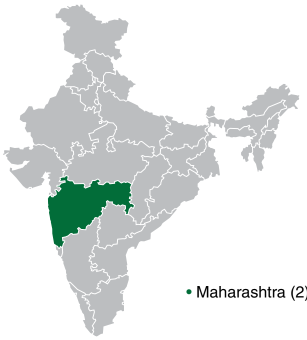
To be the lowest priced retailer in the area of operation / city / region.

Presence and Expansion Strategy

DMart has a consistently growing presence across India

At DMart, we follow a cluster-based expansion approach. We thus focus on deepening our penetration in the areas where we are already present, before expanding to newer regions. Using this strategy, we added 50 stores in FY 2021-22, thus ending the year with 284 stores, spread across 10 states, 1 union territory and NCR.

FY 2002-03



- Maharashtra (2)

FY 2007-08

- Maharashtra (9)
- Gujarat (3)

FY 2012-13

- Maharashtra (40)
- Gujarat (14)
- Telangana (5)
- Karnataka (3)

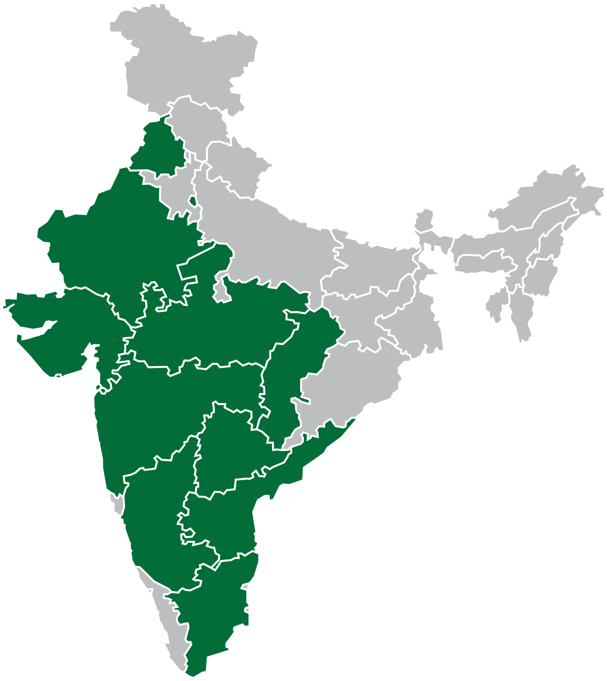
CUMULATIVE STORES

Note: Maps not to scale

FY 2002-03	FY 2007-08	FY 2012-13
2 Stores	12 Stores	62 Stores

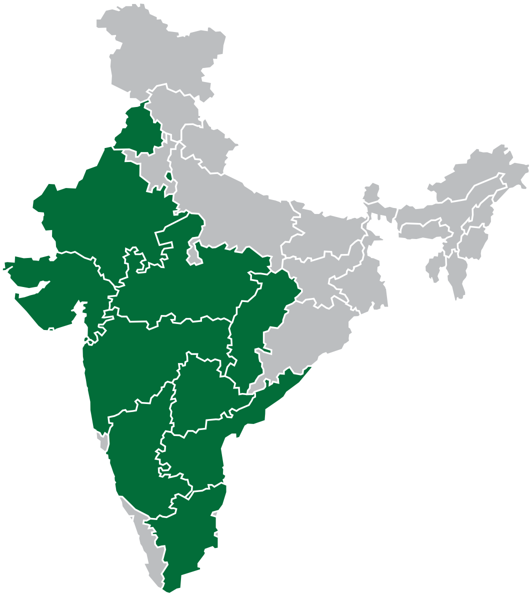
D Mart

FY 2021-22



- Maharashtra (88)
- Gujarat (48)
- Telangana (31)
- Karnataka (29)
- Andhra Pradesh (23)
- Madhya Pradesh (17)
- Tamil Nadu (15)
- Rajasthan (10)
- Punjab (9)
- NCR (7)
- Chhattisgarh (6)
- Daman (1)

FY 2020-21



- Maharashtra (74)
- Gujarat (42)
- Telangana (27)
- Karnataka (21)
- Andhra Pradesh (21)
- Madhya Pradesh (14)
- Tamil Nadu (12)
- Rajasthan (8)
- Punjab (7)
- Chhattisgarh (5)
- NCR (2)
- Daman (1)

Note: Maps not to scale

234* **Stores**

284 **Stores**

*22 New Stores were added in FY 2020-21 and two of our older stores were converted in fulfillment centre for Avenue E-Commerce Limited

Key Product Categories

DMart offers varied, everyday-use items to its customers with a prudent product mix. The products on offer at our stores can be broadly classified into three categories – Foods, Non-foods, and General Merchandise and Apparel.

THE KEY PRODUCT CATEGORIES CAN BE CLASSIFIED INTO:

Foods

Groceries, staples, processed foods, dairy, frozen products, beverages & confectionery, and fruits & vegetables

56.86%
Revenue Contribution FY 2021-22

57.41%
Revenue Contribution FY 2020-21

Non Foods (FMCG)

Home care products, personal care products, toiletries and other over-the-counter products

19.74%
Revenue Contribution FY 2021-22

19.69%
Revenue Contribution FY 2020-21

General Merchandise & Apparel

Bed & bath, toys & games, crockery, plastic goods, garments, footwear, utensils and home appliances

23.40%
Revenue Contribution FY 2021-22

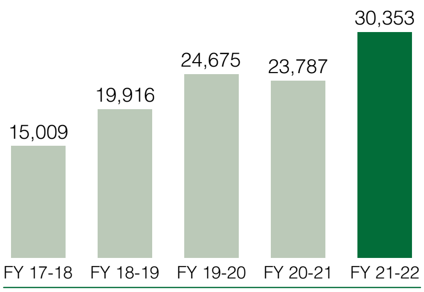
22.90%
Revenue Contribution FY 2020-21

Key Performance Indicators

With a strategy of maintaining cost efficiencies while offering the best customer value, DMart has witnessed stable performance across financial and operational parameters over the years.

REVENUE FROM OPERATIONS

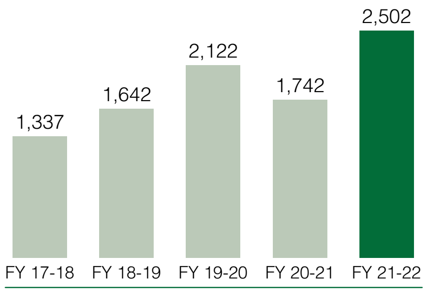
28% Y-O-Y



(₹ cr)

EBITDA

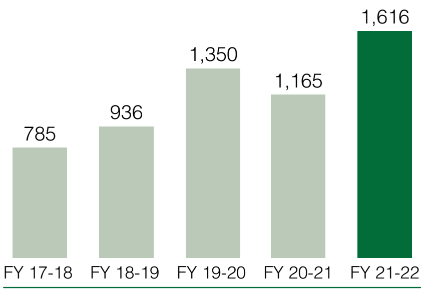
44% Y-O-Y



(₹ cr)

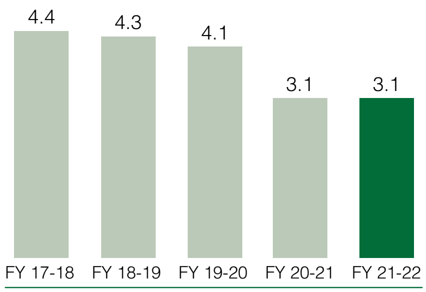
PROFIT AFTER TAX

39% Y-O-Y

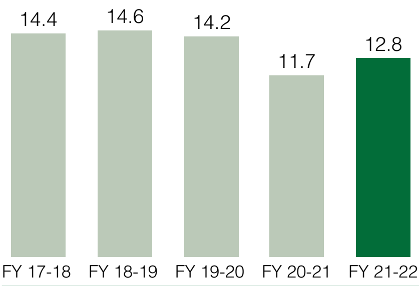


(₹ cr)

FIXED ASSET TURNOVER

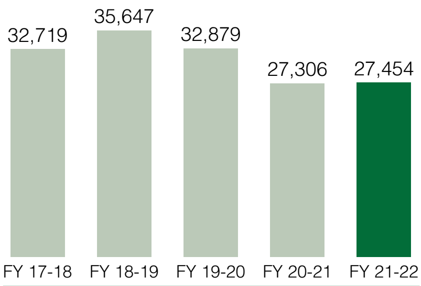


INVENTORY TURNOVER



REVENUE PER RETAIL BUSINESS AREA SQ FT

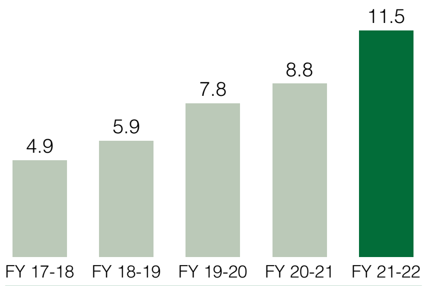
1% Y-O-Y



(₹)

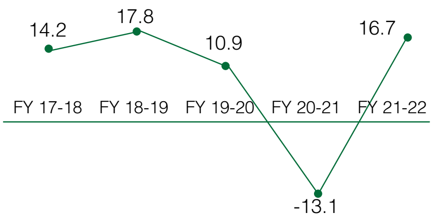
RETAIL BUSINESS AREA

31% Y-O-Y



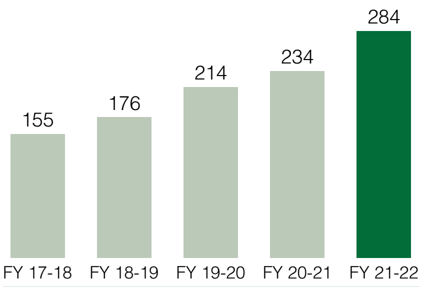
(mn sq. ft.)

LIKE FOR LIKE GROWTH (LFL)



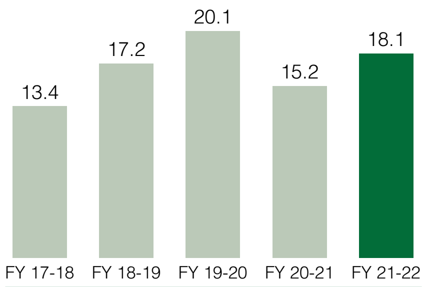
(%)

OF STORES



OF BILL CUTS

19% Y-O-Y



(in crore)

Message from the Chairman

We opened a record of 50 new stores during the financial year. With that our retail footprint has expanded to 284 stores by the end of March 2022. This is a testimony to the dedication and determination of all our employees.

Dear Shareholders,

We adapted to a new normal way of life last year and some of those elements continued during this financial year as well. The second wave of the pandemic further tested our will as a society. We, as an organisation focused on what we could do to help our customers, partners, employees and the society at large as these events unfolded.

Macro Environment

Despite the challenging times, FY 2021-2022 has progressed positively. This was driven by a strong approach from the government to balance lives and health, including lockdowns and wide-spread vaccination programmes to safeguard public health and the implementation of much-needed fiscal and monetary policy measures to boost liquidity into the system. We also observed the private and non-profit sectors, as well as healthcare personnel and others, working together to serve the country and its people.

The Indian GDP is estimated to have grown at 8.9% in FY 2021-22, exceeding the pre-COVID level in actual terms. (Source: Ministry of Statistics and Programme Implementation). The effects of various reforms for capital spending, greater capacity utilisation, and more private investment are likely to enable this growth.

Our Company's Performance

At DMart, we saw growth across our key financial parameters. We opened a record of 50 new stores during the financial year. With that our retail

footprint has expanded to 284 stores by the end of March 2022. This is a testimony to the dedication and determination of all our employees. Their collective effort, even during trying times has ensured that our company continues on its growth trajectory.

With the new challenges of COVID-19, we acted swiftly and prioritised the safety of our employees, customers and vendors / partners and by adhering to all safety recommendations issued by officials from time to time. We have encouraged all our eligible employees to get vaccinated. Certain states were proactive and ensured timely vaccination for our frontline employees at no cost while in other places we organised free vaccination camps. In some cities, it was more efficient for employees to take the vaccination themselves and we offered them a full reimbursement for any costs incurred.

Commitments to the Society

As part of our CSR commitments, we continued directing our support to the public education system. In the past two years, we have also enabled virtual systems through which the pupils are able to study remotely. We have also expanded our reach to two new cities in Maharashtra (Pune and Aurangabad). In addition, the company has made meaningful contributions to support some reputed and well-run external institutions in the fields of education, healthcare and nutrition.

We are also cognisant of the ways in which we can contribute to the environment and reduce our overall carbon and waste footprint. We continued obtaining green building certifications for stores. We are also progressing on increasing our renewable energy usage and have installed sewage treatment plants at several of our facilities.

Conclusion

I would like to express my gratitude to all of our shareholders who continue to trust in DMart and what it stands for. I want to express my sincere gratitude to all of our employees for their unwavering focus, passion, and dedication in assisting us in serving our consumers in their time of need. I am optimistic in India's resurgent consumption story and its growth potential, and in DMart's continued ability to serve millions of Indians with our value proposition. As we continue to serve and grow, I request your extended cooperation.

Best regards,

Ramesh Damani
Chairman

Environmental Focus at DMart

Rooftop Solar Panels

Our fundamental business model thrives on the principle of doing more with less. Value retail is more supply chain than retail. Our ability to deliver good quality products in the most efficient manner and in a conducive work environment to our end consumer is the bedrock on which the business model was created and further strengthened.

We continue to strengthen our approach to sustainability through various means that would have a meaningful long-term positive impact to our company, its employees, the environment and all other stakeholders. Considering the overall development of the country, the emission per person and the nature of our business model, we have developed a matrix for our go to market strategy on sustainability. It is an approach that is practical and appropriate. It is not aggressive or path breaking, however it is contextual to deliver incremental results over a long period of time.

Our fundamental business model thrives on the principle of doing more with less. Value retail is more supply chain than retail. Our ability to deliver good quality products in the most efficient manner and in a conducive environment to our end consumer is the bedrock on which the business model was created and further strengthened. We like bulk at every step of the process – bulk in procurement, bulk in movement of goods and bulk in buying behavior of our shoppers. It is our endeavour to make customers come to our store less often but buy significantly more than they would buy at any other retail store. This approach helps us create capacity to serve more customers per day. A customer buying a very large quantity of goods once or twice a month is also significantly better for the climate than 10 quick deliveries a week of small value items at the doorstep.

Both types of need exist and hence multiple formats of retail evolve. However, we like to play in the bulk buying need sector. This invariably needs a lot of hard work from our employees and partners, precision systems and a competent workforce. Hence our focus on recruiting locals in every location and then upskilling them and grooming them to become leaders of tomorrow is very intrinsic to our model of efficient operation and long-term competitive advantage. Our endeavour is also to nurture local products and local businesses so that they too can compete with minimal costs to launch their products. At the same time, we have active conversations with our large and organised suppliers on how they could create a positive impact to climate change through innovation. We have just begun this journey and we hope to make good progress over time.

Our purpose to deliver good products also means we make significant attempts to enhance the quality of products such that they have durability and long-lasting capability while also delivering great value to the shopper. Our view on quality is that it is relative to the evolution of the customer in that state or city. It is our constant attempt to nudge the customer to choose wisely, such that in the long term they get great value by choosing good-quality products.

Our commitment to making improvements towards the environmental situation is reflected in increasingly getting our locations certified under Green Building movement in India - 151 buildings of the Company have achieved either Platinum or Gold certification under USGBC / IGBC. That apart, our footprint decisions consider optimal use of resources and it is our earnest attempt to minimise adverse environmental impact.

We have integrated consolidation of buying and transporting merchandise through our large distribution centres into our model as opposed to being delivered in small lots to our various stores by vendors, increasing deployment of vehicles using greener fuel; continually increasing use of solar energy; fresh water conservation practices viz. use of sewage treatment plants, waste-water recycling, rainwater harvesting; responsible disposal of plastic waste and electronic waste; choice of sustainable building materials as few major initiatives that help us conserve key resources. We also have a very large installation of an IOT ecosystem that monitors many of our energy consuming equipment and recommends basis alerts on early warnings of possible breakdowns and energy conservation possibilities.

Our first few steps on Sustainability have been to identify a few key ideas and go ahead and implement them. We are now in the process of building systems to measure, monitor and then define and design the direction on other aspects of sustainability. Our belief is that Sustainability has to be intrinsic to our business model. Unless there is an economic model to Sustainability, it won't last too long. The Sustainability Matrix that we have defined for ourselves is the culmination of that deliberation and crystalisation of the direction we want to take to achieve our goals. In order to achieve these targets, we have established management systems which entail regular monitoring of KPIs, development of an environmental management plan and reviewing progress on a regular basis.

We have appointed a Sustainability Officer who is responsible for periodic review of material issues, scanning the external environment for evolving sustainability trends and regulations, monitoring the progress on sustainability targets and facilitating in implementing sustainability initiatives. It is our firm belief that a far more sustainable world for the future will be led by a congruence of efforts – regulatory, economic, best-in-class practices by our company, our suppliers and most importantly by our shoppers through the choices they make while shopping with us.

	Compliance	Savings	Best Practices
DMart	• Extended Producer Responsibility for plastic waste • E-Waste disposal to certified vendors • Solar energy installations • Water conservation (rain water harvesting and Sewage Treatment Plant (STP))	• Renewable energy • Water recycling • Light weight packaging • Energy management through IOT • Use of Energy efficient devices • Circularity of paper waste	• Green Building Certifications • Water conservation • Recycled plastic usage • Use of low-emission vehicles • Reduction of GHG • Environment-friendly building materials • Home delivery through reusable crates (no secondary packaging) • Reduced use of secondary packaging in apparel and general merchandise
Customers	• No plastic carry bags	• Reduce plastic use (Bulk Dispenser^) • Bulk buying results in reduced trips to store	• Carry own bags for shopping • Recycle plastic waste and e-waste • Purchase of loose grocery with reduced plastic packaging
Vendors / Partners	• Extended Producer Responsibility for Plastic Waste • E-Waste disposal to certified vendors	• Reduce plastic use (Bulk Dispenser)^	• Bulk transportation to distribution centers (reduces GHG) • Preference to local products (reduced transportation)

^Pilot initiative commenced during the year

The above matrix indicates some of our efforts within each dimension. However, we recognise that Sustainability is a journey and the opportunities for us with each of our stakeholders are significant. We intend to continue on this path and make a meaningful positive impact on the environment.

New Initiatives

1. **Packaging Waste**: At all our stores, paper and plastic packaging waste that gets generated is segregated and sustainably managed through authorised recyclers. This year in total we managed to send more than 20,000 mt of paper waste and more than 1,500 mt of plastic waste for recycling.

   Further, we also sustainably disposed post-consumer plastic waste of more than 1,800 mt through authorised channels.

2. **Refillable Dispenser (Pilot):** We have collaborated with a large FMCG Company to provide a dispenser at one of our stores for certain FMCG products (liquid detergent and fabric softener). Customers can bring their own container and refill using the dispenser and thus reduce consumption of new plastic bottles / pouches.

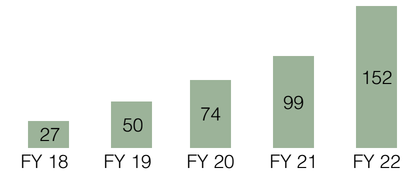
Progress of our Existing Initiatives

A. Green Building Certification

A green building as per Indian Green Building Council (IGBC) / US Green Building Council (USGBC) is one where a significant effort has been made throughout a building's life-cycle from the time of construction to demolition which ensures minimal environmental impact.

Bulk Dispenser

# of Green Building Certifications



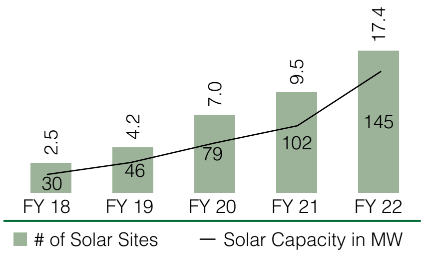
We have consistently increased Green Building Certifications for our stores. It is a constant endeavour to construct all our premises using several sustainable and environment friendly practices. We have thus far obtained 152 certifications in this regard (1 Platinum, 150 Gold, 1 Silver).

There are several factors which are considered for awarding this certification. Some of those are elaborated below in detail (including our efforts within those factors):

1. **Energy Conservation**

   We have commissioned 145 solar plants with cumulative capacity of 17.4 MW from these installations. Of the total energy requirement at these premises, 17.1% is met through Solar Energy.

   Subject to on-ground feasibility, it is our endeavour to ensure that all our new premises have a solar plant installed. In addition, we have carried out a feasibility study for all our existing non-solar stores and distribution centres to retrofit a solar plant. Thus far we have added an installed capacity of 2.0 MW in 11 existing stores and distribution centres.



CFC-free refrigerants: We use CFC free refrigerants in Air–conditioning equipment, which reduces release of CFCs in the atmosphere which is one of the major contributors for greenhouse gases.

Energy efficient lightings: For conservation of energy we use LED lighting fixtures and have also tried usage of solar tubes at one of our stores.

Use of BEE Star Rated Equipment:

The Company uses BEE Star rated split air conditioners which consume less energy in comparison to conventional air conditioners.

2. **Water Conservation**

Sewage Treatment Plants (STPs)

We understand the need for reducing our dependence on fresh water usage. To further this cause we have undertaken installation of STP at our premises.

We have 113 STPs across our premises with a cumulative capacity to treat 1,175 kilo liters of water per day. 36.0% of our total water usage at these premises is met through recycled water.

We have carried out a feasibility study for all our existing non-STP stores and distribution centres to retrofit a STP.

We estimate to have reduced usage of 70,452 kiloliters of fresh water in our operations at these 113 premises by recycling treated water.

Pressure Washers

We have also started using Pressure Washers at our premises. Water is released with pressure from the nozzles of this equipment which helps in efficient cleaning at significantly lower water consumption. Further, the equipment also has an integrated auto-stop system which enhances energy efficiency.

Rain Water Harvesting

We have developed Rainwater Harvesting system comprising of 263 pits / tanks with a cumulative capacity 6,575 cubic meters per day.

Water Efficient Fixtures

We have installed low-flow water-efficient fixtures at our stores. These have aerators fixed by default to maintain and regulate water flow

3. **Sustainable Building Material**

Usage of AAC Blocks – We encourage the usage of Autoclaved Aerated Concrete (AAC) Blocks, which contain up to 65% of recycled material, for construction of our stores. These blocks use fly-ash – a large pollutant byproduct of thermal power plants.

Ready Mix Concrete (RMC) – We always strive to procure RMC from a location which is close to our site, thus significantly reducing its transportation. In addition, we always encourage usage of fly-ash (within permitted limits) in our RMC which is used in our building construction.

Eco-Friendly Speed Breakers - To maintain safe vehicular movement within our premises we install speed breakers at strategic points. We have initiated a pilot this year and installed speed breakers that are manufactured using recycled composite materials.

Corporate Social Responsibility

One of our key CSR focus areas is on enhancing the quality of education in Government / Municipal / Zilla Parishad Schools (Public Schools). Our interventions provide support to these schools within the state curriculum framework by enhancing the quality of teaching methodology so that student learning outcomes are better.

India has been one of the fastest growing economies in the world. However, socioeconomic problems such as poverty, illiteracy, malnutrition, inadequate healthcare etc. still continue to impact a large section of our society. The government has traditionally been the largest contributor in bridging the social divide. To help India sustain its rapid progress and ensure equitable progress for all, it is imperative for the corporate sector to make meaningful impact in the progress of our society.

We believe that as a company we have a unique opportunity and responsibility to make meaningful contributions to the lives of beneficiaries through our structured interventions. The key objective of our Corporate Social Responsibility (CSR) programme is to foster better quality of life and create equal opportunities for supporting the economically and socially disadvantaged in our country.

Over the years, our programme has focused on primary education, nutrition, healthcare and sports promotion. We conduct our programme through a combination of strong direct support and meaningful contribution / partnerships with reputed external organisations.We have a large internal team led by our Head of CSR to manage all our programmes. Further, we have a team of 14 Programme Managers and Associates to focus on each vertical within our interventions.

“School Excellence Programme” is our flagship intervention in the field of primary education. Our mission through this intervention is to work with Government / Municipal / Zilla Parishad Schools (Public Schools) to improve the quality of education and infrastructure at these schools.

We have 9 structured interventions within this programme for which we have directly deployed more than 300 multi-skilled teachers, 30 supervisors, 5 counselors and 3 computer engineers. We strongly believe that access to good quality education to these underprivileged students in their formative years will significantly contribute to their success during adulthood.

Our programme supported students from 6 Municipal Corporations of Mumbai Metropolitan Region (Mumbai, Thane, Navi Mumbai, Panvel, Mira-Bhayander and Kalyan-Dombivali). This year we have additionally increased our reach within the MMR Region (Bhiwandi) and also extended our coverage to two new cities in Maharashtra (Pune and Aurangabad). We cover more than 290 Government / Municipal / Zilla Parishad Schools (Public Schools) across these cities / towns positively impacting more than 125,000 students.

Schools and other learning spaces were shut through most of the previous year and a large part of the current year due to the pandemic. Therefore, there was a significant shift in the learning system to virtual means through the use of audio and video as learning aids. We mobilised our resources from different programmes such as Reading Programme, English for All and Digital Literacy Programme to support our students virtually. We collaborated with the school authorities and assisted them in setting up virtual learning environments and creating appropriate online content to the best of our abilities.

We also recognise that there are several external organisations which are running impactful programmes to support the economically and socially disadvantaged. We have partnered with and contributed to several such reputed external organisations to support our focus within Education, Healthcare and Nutrition.

In addition, each year we carry out independent impact assessments through reputed organisations to gauge the effectiveness of several of our programmes and contributions. A thorough review and analysis of the key findings is undertaken by our team to further improve the impact and effectiveness of our interventions.

A brief overview of our interventions in the School Excellence Programme is given below:

1. Digital Literacy Programme

Computer-aided learning is one of our flagship support programmes. We have set up a Computer Lab in each programme school that has up to 21 Computers. 2 Headphones per computer have also been provided to facilitate audio-video learning. There is also an internet facility available in each Lab. All necessary software required for teaching and the curriculum plans are installed. Entire procurement, maintenance and servicing of the hardware is the responsibility of our technical team. Our curriculum focuses on improving basic computer skills, language and general knowledge proficiency as well as numerical skills. These topics are taught using educational games and interactive tutorials, which simplifies concepts and makes learning enjoyable. Quarterly training sessions are organised for all teachers. With constant feedback, teachers are able to work on their areas of development and deliver content more effectively.

# of Computer Labs	# of Teachers	# of Students Supported
105	210	85,000

2. English for All

Our effort in this programme is directed towards teaching students to speak and read English effectively. The entire curriculum is delivered to children through interactive sessions, phonics, and activity-based learning. The curriculum is designed to improve four core skills of the Language - Listening, Speaking, Reading and Writing. This programme is run by well-qualified, competent, and committed teachers who are equipped through rigorous training to teach English to children who come from underprivileged backgrounds. Apart from the induction training, we train our teachers at an interval of 6-8 weeks led by our in-house Programme team. Our teachers are equipped with the right content and pedagogical skills to achieve desired outcomes.

# of Schools Supported	# of Teachers	# of Students Supported
57	23	13,000

3. Library programme

Our library programme provides students with contextual books, which help them inculcate an interest in reading and improves their vocabulary and reading proficiency. The libraries are used as a space to build literacy skills through activity-based learning. Each Library has a teacher who is proficient in several languages. We provide a good collection of books in different languages. The stories are inspiring and relatable to children. The entire curriculum is delivered to children by a dedicated teacher through interactive sessions with pre-reading, reading, and comprehension skills. We ensure that all the teachers undergo comprehensive training that equips them to manage the library as a librarian as well as to conduct the reading programme sessions. They are trained in different ways of engaging the children through voice modulation and other techniques.

# of Libraries	# of Teachers	# of Students Supported
90	85	73,000

4. Swachh School Abhiyan

Through this programme, we aim to foster a culture of cleanliness and personal hygiene at school premises. We encourage schools to maintain a high standard of cleanliness through competitive grading among them. This has motivated all schools to maintain their facilities and promote cleanliness amongst students. We have developed 8 criteria to grade schools in areas of cleanliness related to Classrooms, Drinking water area, Toilets, Mid-Day meals, Floor, Dustbin, Head Master room and personal hygiene of Students. Our supervisors are trained to do meticulous monitoring of school premises and accordingly assign grades to schools. This programme has enabled us to successfully advocate the importance of cleanliness which has allowed schools to participate and win state level prizes in cleanliness.

# of Schools Supported	# of Supervisors	# of Students Supported
184	5	67,000

5. Building as a Learning Aid (BALA)

We have seen the positive impact of a well-designed and colourful workplace, and our BALA initiative replicates this concept in public schools by designing and improving the aesthetics of the school premises. BALA aims to foster a child-friendly environment in schools by stimulating the curiosity among students to learn and remember easily through vibrant visuals. Our BALA paintings are created to be contextually sound and visually appealing. Our main themes include school details on the outside of the building, values and mindsets, good habits, sustainable actions, vocabulary, academic concepts, maps, inspirational quotes spread across staircases, pillars and corridors. Additionally, we also have theme-based paintings especially done to complement our Digital Literacy programme and Reading Programme, that are done in all computer labs and reading rooms where we have our interventions.

# of Schools Supported	# of Students Supported
290	125,000

6. Remedial classes

Remedial Classes are conducted beyond school hours across select schools in Mumbai and Navi Mumbai region covering Grade 9 and 10 students by focusing on the key subjects of Mathematics, Science and English. Our core objective of this programme is to enable students to perform well in their Board exams and also build a strong foundation for their higher education. During the academic year 2021-22, the programme operated in a Hybrid model of online and offline classes. There were numerous training sessions for teachers where they deep-dived into curriculum planning and efficient strategies of assessment in order to help students achieve grade level learning in the key subjects. We also partnered with experts to create career awareness among students of several public schools.

# of Schools Supported	# of Teachers	# of Students Supported
28	29	3,500

7. Public Private Partnership (PPP) model Schools (2 Public Schools covered)

Our PPP Model Schools in partnership with Thane Municipal Corporation (TMC) have the vision of transforming school education in Thane Municipal schools by providing holistic education to the students. For the academic year 2021-22, our team of 12 dedicated teachers and staff ensured the best learning experience for a batch of 250 students using creative pedagogy, continuous assessments and technology-aided classrooms. While conducting classes in a hybrid model due to the pandemic, we also managed to provide access and exposure to students through various celebrations like Science Day, Marathi Diwas etc along with building career awareness of students through sessions conducted by an external expert partner. We have achieved 100% pass percentage for all students in both our schools in the State Secondary Certificate (SSC) examination during the recently concluded academic year.

# of Schools Supported	# of Teachers	# of Students Supported
2	12	250

8. Parent Engagement Programme

This programme aims to engage parents in their child's overall development. Our team of counselors conduct parent meetings in schools on key topics to address the gap in development needs of their children. The team continued to engage with the parents through the online platforms during the pandemic. The main theme of the meetings was to impart the importance of education, nutrition and the various ways in which a parent can take interest in a child's education and be a positive support for the children. Regular discussions and meetings were organised with the team throughout the year along with feedback calls with select parents to understand the effectiveness of these meetings.

# of Parent meetings conducted	# of Counselors	# of Parents reached
406	3	12,000

9. Physical development through sports programme

Sports play an important role in the holistic development of the students. Creating a strong foundation in the formative years provides a realistic chance of building excellent sportspersons for the future. Our Sports Programme has two segments – 'Sports and Play' and 'Sports Centre'. 'Sports and Play' is focused on building motor skills and basic fitness for students of Grades 1 -5 through engaging games which ensures maximum participation and development of Sportsmanship Spirit. Sports Centre on the other hand focuses on specific sports such as Wrestling, Kabbadi and Judo where reputed and experienced coaches develop the students for various Sports Tournaments at various levels in the country. During 2021-22, our team of dedicated coaches and trainers conducted online sessions and shared fitness videos on a daily basis to keep the enthusiasm for sports and fitness among students.

# of Schools Supported	# of Coaches	# of Students Supported
15	20	5,500

EXTERNAL PROGRAMMES

EDUCATION

1. Dakshana Foundation, Pune

Dakshana is a non-profit organisation that helps under privileged students, predominantly from rural India, to prepare for IIT and medical entrance (NEET) exams through a residential programme. They have been offering free coaching scholarships for competitive exams such as JEE/ NEET/AIIMS for over 13 years. Over the years, Dakshana has sponsored 6200+ scholars, of which 2,400 scholars have been admitted to IITs, 1,000 to the NITs and over 600 have been admitted to government medical colleges. DMart has been supporting Dakshana for the past two years and has continued the association this year to sponsor Dakshana's scholarship programme.

2. Indian Institute of Technology, Mumbai

Indian Institute Of Technology, Mumbai and DMart Foundation have collaborated to provide scholarship support to undergraduate students and fellowship support to M.Tech and Ph.D students to promote educational, scientific research and promote human resources development in the field of advanced science and technology. Additionally, this collaboration will enable nurturing start-up ideas and promote entrepreneurship development at IIT-Mumbai.

3. Shanti Bhavan, Bangalore

Shanti Bhavan aims to provide holistic quality education and empower children from underprivileged backgrounds. Their residential programme provides 17 years of educational intervention, from ages 4 to 21, catering to the emotional development, mental and physical fitness, social and cognitive growth and academic excellence of children. We have extended our support to their programme that helps educate underprivileged children.

HEALTHCARE

1. The Assam Cancer Care Foundation (a partnership between the Government of Assam and Tata Trusts)

Under their cancer care initiative, Tata Trusts is engaged in setting up and/or equipping cancer care hospitals at different locations to make cancer treatment more easily accessible and affordable, particularly to the patients from the economically weaker sections of the society. With the aim to strengthen the government system and holistically transform cancer care in the country, we have collaborated with them to support their Cancer Programme in Assam, thereby reducing patient load at key cancer centres elsewhere. The trust recently inaugurated 7 hospitals in Assam. We have supported a hospital at Jorhat, Assam by providing medical equipment for radiotherapy treatment and improving the overall quality of cancer treatment.

2. CanCare Trust, Mumbai

CanCare Trust, Head and Neck Cancer Institute of India aims to build a hospital specialising in treating patients with head and neck cancer. 20% beds will be available to needy patients without any treatment cost. The hospital will also act as a training, education and research institute. One of India's most respected surgical oncologists, Dr. Sultan Pradhan is heading the project. This facility is expected to reduce the patient load in Tata Memorial Hospital, Mumbai. We have collaborated with CanCare trust to strengthen the infrastructural needs of the project.

3. Support to Hospital Trusts - Mumbai, Palghar and Aurangabad

We have collaborated with Dr. Hedgewar Hospital, run by Dr. Babasaheb Ambedkar Vaidyakiya Pratishthan Charitable Trust, Aurangabad to help them strengthen their capacity of oxygen beds. This has been a lifesaving facility for hundreds of critical Covid-19 patients coming from 10 districts of Aurangabad region. We have further supported Dr. M. L. Dhawale Memorial Trust (MLDT) Health Care & Community Services to install Solar Power system at Bhopoli to supplement grid electricity supply. Additionally, We have supported in providing medico-surgical equipment at Mahavir hospital and physiotherapy equipment at Palghar hospital serving geriatric and differently abled children.

Social Service League's Charitable Eye and General Hospital, Kalyan is providing a dedicated service in the field of healthcare, especially in ophthalmic treatments for over 90 years. We have partnered with the charitable hospital to further the process of upgradation, redevelopment and introduction of various new activities.

NUTRITION

1. Akshaya Patra

Akshaya Patra is a not-for-profit organisation that runs Mid-Day Meal Programme to feed millions of children in India who lack the means but have the zeal to learn and achieve. By feeding them one wholesome meal a day, they intend to provide them the nourishment and motivation they need to pursue an education for a better future. As a support to this initiative we have sponsored a large new kitchen with latest equipment over the last 2 years in Mumbai Metropolitan Region (MMR) to support and feed 23,000 children with Mid-Day meal at 121 Zilla Parishad Schools. The kitchen has commenced operations in April 2022, and we will continue to sponsor the cost of meals made here.

2. Seva Mandir, Udaipur

Seva Mandir is a non-profit organisation that has been working for the betterment of marginalised communities for over 54 years. In order to address the early childcare needs of underprivileged children, Seva Mandir has been running Balwadis, a full day child-care centre, since 1984. The Balwadis caters to children in the age group of 1-5 years with key focus on daycare, pre-school education and health. These Balwadis are run by locally recruited women, rigorously trained by Seva Mandir, in remote areas of South Rajasthan. At present, Seva Mandir, in close collaboration with communities, is running 160 Balwadi centres catering to about 4,600 children in Udaipur and Rajsamand District. 10 Balwadis in Badgaon and Girwa blocks of Udaipur district are supported by us. This has benefitted more than 290 children and 218 mothers/caregivers from marginalised communities.

Board of Directors

Mr. Ramesh Damani
Chairman & Independent Director

Mr. Elvin Machado
Whole-time Director

Mr. Ignatius Navil Noronha
Managing Director & CEO

Mrs. Manjri Chandak
Non-executive Director

Mr. Chandrashekhar Bhave
Independent Director

Ms. Kalpana Unadkat
Independent Director

Mr. Ramakant Baheti
Whole-time Director &
Group CFO

Senior Leadership Team

Mr. Ignatius Navil Noronha
Managing Director & CEO

Mr. Ramakant Baheti
Whole-time Director & Group CFO

Mr. Elvin Machado
Whole-time Director

Mr. Narayanan Bhaskaran
Chief Operating Officer,
Retail

Mr. Niladri Deb
Chief Financial Officer

Mr. Trivikrama Rao Dasu
CEO, Avenue E-Commerce
Limited

Mr. Dheeraj Kampani
Vice President,
Buying and Merchandising

Mr. Hitesh Shah
Vice President, Operations

Corporate Information

BOARD OF DIRECTORS

Mr. Ramesh Damani
Independent Director (Chairman)

Mr. Chandrashekhar Bhave
Independent Director

Ms. Kalpana Unadkat
Independent Director

Mrs. Manjri Chandak
Non-executive Director

Mr. Ignatius Navil Noronha
Managing Director & CEO

Mr. Ramakant Baheti
Whole-time Director & Group CFO

Mr. Elvin Machado
Whole-time Director

CHIEF FINANCIAL OFFICER
Mr. Niladri Deb

COMPANY SECRETARY & COMPLIANCE OFFICER
Mrs. Ashu Gupta

COMMITTEES OF THE BOARD

Audit Committee

Mr. Chandrashekhar Bhave – Chairman
Mr. Ramesh Damani – Member
Ms. Kalpana Unadkat – Member
Mrs. Manjri Chandak – Member

Nomination & Remuneration Committee

Mr. Chandrashekhar Bhave – Chairman
Mr. Ramesh Damani – Member
Mrs. Manjri Chandak – Member

Stakeholders' Relationship Committee

Mrs. Manjri Chandak – Chairperson
Mr. Ramesh Damani – Member
Mr. Ramakant Baheti – Member

Corporate Social Responsibility Committee

Mr. Chandrashekhar Bhave – Chairman
Mr. Ramesh Damani – Member
Mr. Ramakant Baheti – Member
Mrs. Manjri Chandak – Member

Risk Management Committee

Mr. Ignatius Navil Noronha – Chairman
Mr. Ramakant Baheti – Member
Mrs. Manjri Chandak – Member
Ms. Kalpana Unadkat– Member
(w.e.f. 10th July, 2021)
Mr. Ashutosh Dhar – Member
Mr. Vikram Bhatia – Member

BANKERS
Axis Bank Limited
HDFC Bank Limited
ICICI Bank Limited
Kotak Mahindra Bank Limited
State Bank of India
The Hong Kong and Shanghai Banking Corporation Limited
Sumitomo Mitsui Banking Corporation

AUDITORS
S R B C & Co LLP
Chartered Accountants

REGISTERED OFFICE
Anjaneya Co-op. Housing Society Ltd.
Orchard Avenue, Opp. Hiranandani Foundation School,
Powai, Mumbai - 400 076

Tel: +91-22-40496500

CORPORATE OFFICE
B–72/72A, Wagle Industrial Estate,
Road No. 33, Kamgar Hospital Road,
Thane – 400604

Tel: +91-22-33400500,
+91-22-71230500
E-mail: investorrrelations@dmartindia.com
Website: www.dmartindia.com

REGISTRAR & SHARE TRANSFER AGENT
Link Intime India Private Limited
C-101, 247 Park, L. B. S. Marg,
Vikhroli (West), Mumbai - 400 083

Tel: +91-22-4918 6270
Fax: +91-22-4918 6060
E-mail: rnt.helpdesk@linkintime.co.in

Management Discussion and Analysis

ECONOMIC OVERVIEW

The Indian economy is expected to grow at 8.9% in FY 2021-22, exceeding the pre-COVID level in actual terms (Source: Ministry of Statistics & Programme Implementation). Consumption remains one of the key backbones of the Indian Economy. However, the economy also faced several headwinds during the year due to the Omicron wave of Covid-19, food and commodity inflation and elevated geo-political risks.

The proactive steps taken by the Government during the last 2 years to tackle Covid-19 has helped economic activity to be broadly in-line / over the pre-Covid levels across most sectors. High vaccination across age groups has enabled a significant reduction in Covid-19 led restrictions across the country.

Outlook

Inflation led by domestic and international factors remains one of the key indicators to track going forward for the Indian Economy as evidenced by the recent rate hike by RBI.

Favorable demographics, increasing urbanization and stable geo-political environment continue to be the key long term growth drivers for India.

INDUSTRY OVERVIEW

Restrictions from Covid-19 significantly reduced for most part of the year. This enabled a resurgence of activity for the retail industry as footfalls increased as compared to the previous year.

The overall retail industry is estimated to have grown by 16-17% in FY 2021-22 and within this the organised brick and mortar industry is estimated to have grown by 19-21% (*Source: Crisil Research*).

E-Commerce continued its acceleration during FY 2021-22. Consumer adoption of E-Commerce continued during the year. The industry is estimated to have grown by 27-32% during FY 2021-22. Within the E-Retail, Food & Grocery segment continued to see strong growth in FY 2021-22. (*Source: Crisil Research*).

BUSINESS OVERVIEW

Avenue Supermarts Limited (DMart) is a national supermarket chain, with a focus on value-retailing. We offer a wide range of products with a focus on the Foods, Non-Foods (FMCG) and General Merchandise & Apparel product categories. Since launching our first store in 2002 in Mumbai, Maharashtra, we have grown to 284 stores with a retail business area of 11.5 million sq. ft. spread across Maharashtra (88), Gujarat (48), Telangana (31), Karnataka (29), Andhra Pradesh (23), Madhya Pradesh (17), Tamil Nadu (15), Rajasthan (10), Punjab (9), NCR (7), Chhattisgarh (6) and Daman (1). We remain focussed on our strategy of offering our customers good quality products at great value, based on the Everyday Low Cost/Everyday Low Price (EDLC/EDLP) principle. Our store offerings provide our customers with a distinctive shopping experience, comprising of a wide range of everyday value retail products sold in a modern ambience and with the feel of a large retail mall. We believe our endeavor to facilitate one-stop shop convenience for our customers' everyday shopping needs, along with our competitive pricing due to our local market knowledge, careful product assortment and supply chain efficiencies, has helped us achieve steady growth.

Key Performance Indicators

Over the years we have seen steady growth in the number of stores and consequently our retail business area.

Financial Year	No. of Stores	Retail business area (mn sq. ft.)
FY22	284	11.5
FY21	234*	8.8
FY20	214	7.8
FY19	176	5.9
FY18	155	4.9

*22 New Stores were added in FY 2020-21 and two of our older stores were converted in fulfillment center for Avenue E-Commerce Limited

Our operations are ably supported by a network of distribution centres and packing centres. As of 31st March, 2022 we had 40 distribution centres and 7 packing centres.

Our total number of bill cuts have increased during the year. Our total number of bill cuts, was 18.1 crore in FY 2021-22 as compared to 15.2 crore during FY 2020-21. Our annualised revenue from sales per retail business area sq. ft. was INR 27,454 in FY 2021-22 and INR 27,306 in FY 2020-21.

D Mart

Financial Performance

(₹ in cr)

Particulars	Standalone FY 22	Standalone FY 21	Standalone Increase / (Decrease)%	Consolidated FY 22	Consolidated FY 21	Consolidated Increase / (Decrease)%
Revenue from Operations	30,352.50	23,787.20	27.60%	30,976.27	24,143.06	28.30%
Other Income	140.87	208.90	(32.57%)	117.49	196.21	(40.12%)
Finance Cost	39.60	34.48	14.85%	53.79	41.65	29.15%
Profit Before tax	2,181.73	1,544.79	41.23%	2,064.12	1,483.45	39.14%
Profit After Tax	1,616.17	1,165.31	38.69%	1,492.40	1,099.43	35.74%
EPS - Basic (in ₹)	24.95	17.99	38.69%	23.04	16.97	35.77%
EPS - Diluted (in ₹)	24.75	17.86	38.58%	22.86	16.85	35.67%

Key Financial Ratios

Particulars	FY22	FY21
Operating Profit Margin (%)	7.32%	6.58%
Net Profit Margin (%)	5.32%	4.86%
Interest Coverage Ratio	56.09	45.80
Debtors Turnover*	138.92	261.72
Inventory Turnover (Based on sales)	12.77	11.67
Current Ratio	3.06	3.70
Debt Equity Ratio	0.03	0.02
Return on Net Worth	12.32%	9.94%

*Notes

1. Change in Debtors Turnover is due to increase in receivables

Human Capital

Our employees are critical to our business. We internally assess our employees to periodically identify competency gaps and use development inputs (such as skill upgradation training) to address these gaps. We have implemented staff training policies and assessment procedures and intend to continue placing emphasis on attracting and retaining motivated employees.

We plan to continue investing in training programmes and other resources that enhance our employees' skills and productivity. We will continue to help our employees develop understanding of our customer-oriented corporate culture and service quality standards to enable them to continue to meet our customers' changing needs and preferences.

At the end of FY 2021-22, we had a total of 11,312 permanent employees and 40,777 employees were hired on contractual basis.

Information Technology (IT)

Our deep understanding of local needs and our ability to adapt quickly to changing consumer preferences has helped our performance driven growth. Our robust IT systems have significantly aided this growth by simplifying complex processes throughout our operations.

Our IT systems are equipped with an array of data management tools specific to our business needs and support key aspects of our business. IT has enabled our cash management systems, in-store systems, logistics systems, human resources, project management, maintenance, and other administrative functions. This implementation has contributed positively towards minimizing product shortage, pilferage, out of stock situations etc., and has increased overall operational efficiency.

Internal Control Systems and their Adequacy

We have put in place internal control systems and a structured internal audit process vested with the task of safeguarding the assets of the organisation and ensuring reliability and accuracy of the accounting and other operational data. The internal audit department reports to the Audit Committee of the Board of Directors.

Similarly, we maintain a system of monthly review of the business as a key operational control, wherein the performance of units is reviewed and corrective action is initiated. We also have in place a capital expenditure control system for authorising spend on new assets and projects. Accountability is established for implementing the projects on time and within the approved budget.

The Audit Committee and the Senior Management Team are regularly apprised of the internal audit findings and regular updates are provided of the action taken on the internal audit reports. The Audit Committee reviews the quarterly, half yearly and the annual financial statements of the Company. A detailed note on the functioning of the Audit Committee and of the other committees of the Board forms part of the section on corporate governance in the Annual Report.

During the year, we carried out a detailed review of internal financial controls. The findings were satisfactory and suggestions for improvement have been taken up for implementation. Policy guidelines and Standard Operating Procedures (SOPs) continue to be updated where required, to keep pace with business requirements.

Risks and Concerns

The Board of Directors reviews the Company's business risks and formulates strategies to mitigate those risks. The Senior Management team, led by the Managing Director, is responsible for proactively managing risks with appropriate mitigation measures and ensuring their implementation thereof.

Below are some of the key risks and concerns in our business:

- The outbreak of new variants of COVID-19 could materially and adversely affect our business, financial condition, and results of operations
- If we are unable to continue to offer daily low prices pursuant to our EDLC/EDLP pricing strategy, we risk losing our distinct advantage and a substantial portion of our customers, which will adversely affect our business, financial condition, and results of operations
- Availability of commercially viable real estate properties at suitable locations for our new stores, timely execution of sale deeds/leave and license registrations and getting regulatory approvals for these properties
- Our ability to attract, hire, train and retain skilled employees
- Our inability to maintain an optimal level of inventory in our stores may impact our operations adversely
- Our continued understanding and prediction of consumers' changing needs and preferences and timely customising of our offerings
- Effective management of our store expansion and operations in newer locations/cities/states
- Any breach of our cyber security measures could potentially result in disruption of our business operations

Directors' Report

Dear Members,

Your Directors have pleasure in presenting the Twenty Second Annual Report of Avenue Supermarts Limited ("the Company") together with the audited financial statements of the Company for the financial year ended 31st March, 2022.

FINANCIAL PERFORMANCE

The Company's financial performance during the year ended 31st March, 2022 compared to the previous financial year is summarized below:

(₹ in crore)

Particulars	Standalone		Consolidated	
	FY 2021-22	FY 2020-21	FY 2021-22	FY 2020-21
Income from operations	30,352.50	23,787.20	30,976.27	24,143.06
Other Income	140.87	208.90	117.49	196.21
Total Income	**30,493.37**	**23,996.10**	**31,093.76**	**24,339.27**
Expenses	28,311.64	22,451.31	29,029.64	22,855.82
Profit before tax	**2,181.73**	**1,544.79**	**2,064.12**	**1,483.45**
Less: Tax Expense	565.56	379.48	571.72	384.02
Profit after Tax	**1,616.17**	**1,165.31**	**1,492.40**	**1,099.43**
Other comprehensive Income (net of taxes)	(3.20)	(1.44)	(5.03)	(1.90)
Total Comprehensive income for the year	1,612.97	1,163.87	1,487.37	1,097.53

The financial statements for the year ended 31st March, 2022 have been prepared as per the Indian Accounting Standards (Ind AS).

BUSINESS AND OPERATIONS

During the year under review, your Company expanded operations by adding 50 new stores. The Company has presence across 10 states, 1 union territory and NCR with a total of 284 stores as of 31st March, 2022. We remain focused on our strategy of offering our customers good quality products at great value, based on the Everyday Low Cost/Everyday Low Price (EDLC/EDLP) principle.

On standalone basis, the total income for FY 2022 was ₹30,493.37 crore, which is 27.08% more than the previous year's income of ₹23,996.10 crore. Our total income on consolidated basis for FY 2022 was ₹31,093.76 crore as against ₹24,339.27 crore during FY 2021.

On standalone basis, the net profit after tax (PAT) for FY 2022 stood at ₹1,616.17 crore as against previous year's net profit of ₹1,165.31 crore thereby recording a growth of 38.69%. Our net profit after tax (PAT) on consolidated basis for FY 2022 amounted for ₹1,492.4 crore as compared to ₹1,099.43 crore in the previous year.

There was no change in nature of business of the Company, during the year under review.

CREDIT RATING

Your Company has been rated by CRISIL Limited ("CRISIL") vide its letter dated 16th February, 2022 for its bank facilities as follows:

Instruments	Rating
Bank Loan Facilities of ₹500 crore (Earlier Limit ₹585 crore)	CRISIL AA+/Stable (Re-affirmed)

The above ratings indicate high degree of safety regarding timely servicing of financial obligations. The rated instrument carries lowest credit risk. With the above rating affirmations, the Company continues to enjoy high credit quality rating for its long-term bank facilities.

The Company was not identified as a "Large Corporate" for financial year 2021-22 as per the criteria under SEBI Circular No. SEBI/ HO/DDHS/CIR/P/2018/144 dated 26th November, 2018.

UTILIZATION OF QUALIFIED INSTITUTION PLACEMENT (QIP) PROCEEDS

The proceeds of funds raised under Qualified Institutional Placement of the Company are utilized as per Objects of the Issue. The disclosure in compliance with the Regulation 32 (7A) of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") is as under:

(₹ in crore)

Sr. No.	Particulars	Actual utilization of QIP proceeds upto 31st March, 2022	Actual utilization of QIP proceeds upto 31st March, 2021
1.	Capex payment	1,422.00	783.00
2.	Repayment of Non-convertible Debentures	300.00	300.00
3.	Repayment of WCDL/ Commercial Paper	250.00	250.00
4.	Repayment of Term Loan	158.00	158.00
5.	WC/ General Corporate expenses (Excluding QIP expenses)	713.00	302.00
	Total	**2,843.00**	**1,793.00**

Out of the total fund raised by the Company under Qualified Institutional Placement, an amount of ₹1,235 crore is unutilized as on 31st March, 2022.

CHANGES IN SHARE CAPITAL

During FY 2021-22 there was no change in the authorised and paid-up share capital of the Company. The paid-up Equity Share Capital as on 31st March, 2022 amounted to ₹647.77 crore.

The Company has neither issued any shares with differential rights as to dividend, voting or otherwise nor issued any sweat equity shares during the year under review.

DIVIDEND

With a view to conserve resources for expansion of business, your Directors have thought it prudent not to recommend any dividend for the financial year under review.

DIVIDEND DISTRIBUTION POLICY

The Company has in place a Dividend Distribution Policy in accordance with Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the same is available on the Company's website at http://www.dmartindia.com/investor-relationship.

TRANSFER TO RESERVES

The Company has not transferred any amount of profit to the reserves during the financial year under review.

CONSOLIDATED FINANCIAL STATEMENTS

In compliance with the applicable provisions of the Companies Act, 2013 including the relevant Indian Accounting Standards (Ind AS) as issued by the Institute of Chartered Accountants of India and notified under Section 133 of the Companies Act, 2013, this Annual Report includes Consolidated Financial Statements for the financial year 2021-22.

REPORT ON PERFORMANCE OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES

The Company has 5 subsidiaries as on 31st March, 2022, the details of which are appended hereunder:

ALIGN RETAIL TRADES PRIVATE LIMITED (ARTPL)

ARTPL, a wholly-owned subsidiary Company incorporated on 22nd September, 2006, is engaged in the business of packing and selling of grocery products, spices, dry fruits, etc. Its revenue from operations for FY 2022 stood at ₹1,587.09 crore against ₹1,296.15 crore in the previous year and the Company posted net profit after tax of ₹17.15 crore for FY 2022 against ₹15.80 crore for FY 2021.

AVENUE FOOD PLAZA PRIVATE LIMITED (AFPPL)

AFPPL was incorporated on 08th June, 2004 as a wholly-owned subsidiary of our Company. It is engaged in the business of operating food stalls at DMart stores. The revenue from operations of the Company for FY 2022 stood at ₹43.34 crore as against ₹14.91 crore for FY 2021. The Company reported profit after tax of ₹0.31 crore against net loss after tax of ₹1.90 crore for previous year.

AVENUE E-COMMERCE LIMITED (AEL)

AEL, a subsidiary Company, incorporated on 11th November, 2014 is engaged in the business of online and multi-channel grocery retail under the brand name of DMart Ready. AEL allows its customers to order a broad range of grocery and household products through its mobile app and website www.dmart.in. Customers can either self-pick up their online orders from any designated DMart Ready Pick-up Points or get them delivered at their doorstep. At many Pick-up Points, it also offers a select range of merchandise available for instant purchase.

AEL completed 5 years of service in the e-commerce space in January 2022. During the FY 2021-22, it expanded its service coverage to include 500+ pin codes in 9 cities - Mumbai Metropolitan Region, Pune, Bangalore, Hyderabad, Ahmedabad, Surat, Vadodara, Bhopal, and Indore. AEL also operates a small format grocery store under the brand name, DMart miniMAX. It has two DMart miniMAX stores – one in Mumbai and another in Hyderabad.

AEL's revenue from operations for FY 2022 stood at ₹1,667.21 crore vis-à-vis ₹791.29 crore in the FY 2021. The Company registered a loss of ₹142.07 crore in FY 2022 against the loss of ₹80.62 crore in FY 2021.

NAHAR SETH & JOGANI DEVELOPERS PRIVATE LIMITED (NSJDPL)

NSJDPL, subsidiary Company was incorporated on 21st February, 2014, with main object of, amongst others, development of land and construction. Revenue from operations of the Company for FY 2022 and FY 2021 was ₹0.75 crore and the Company earned net profit after tax of ₹0.55 crore for FY 2022 against ₹0.53 crore for FY 2021.

REFLECT WHOLESALE AND RETAIL PRIVATE LIMITED (RWRPL)

RWRPL, a wholly-owned subsidiary Company was incorporated on 28th May, 2018, to carry on the business of wholesale and retail of goods and products. It is yet to commence its operations.

The Company does not have any Joint Venture or Associate Company within the meaning of Section 2(6) of the Companies Act, 2013. No material change has taken place in the nature of business of the subsidiaries.

Pursuant to the first proviso to Section 129(3) of the Companies Act, 2013 read with Rule 5 and 8 of the Companies (Accounts) Rules, 2014, the salient features of the financial statements and performance of each subsidiary in Form AOC-1 is disclosed under **Annexure-I** and forms part of this Report.

Pursuant to the provisions of Section 136 of the Companies Act, 2013, the financial statements of the Company, consolidated financial statements and separate audited financial statements in respect of subsidiaries are available on the website of the Company under web link http://www.dmartindia.com/investor-relationship. The same shall also be sent to Members electronically who request for the same by sending email to Company at investorrelations@dmartindia.com from their registered e-mail address.

The Company has formulated a Policy for determining material subsidiaries. The said policy is available on the website of the Company at https://www.dmartindia.com/investor-relationship.

RELATED PARTY TRANSACTIONS

During the year under review, the Company revised its Policy on Related Party Transactions in compliance with the requirements of Companies Act, 2013 and amendment to SEBI Listing Regulations. The said policy is available on the website of the Company https://www.dmartindia.com/investor-relationship.

All the related party transactions are placed before the Audit Committee for their review and approval. Prior Omnibus approval is obtained before the commencement of the new financial year, for the transactions which are repetitive in nature and also for the transactions which are not foreseen (subject to financial limit). A statement of all related party transactions is presented before the Audit Committee on a quarterly basis specifying the nature, value and terms & conditions of the transactions. All transactions entered with related parties were in compliance with the applicable provisions of the Companies Act, 2013 read with the relevant rules made thereunder and the Listing Regulations.

All related party transactions entered into by the Company during the financial year under review were in the ordinary course of business and on arm's length basis. All transactions entered with related parties were in compliance with the applicable provisions of the Companies Act, 2013 read with the relevant rules made thereunder and the Listing Regulations.

During the FY 2021-22, your Company did not enter into any material related party transactions. Accordingly, disclosure with respect to the same in the Form AOC-2 in terms of Section 134 of the Companies Act, 2013 is not applicable.

The transactions entered by the Company during the financial year under review were in conformity with the Company's Policy on Related Party Transactions.

PARTICULARS OF LOANS, GUARANTEES, INVESTMENTS AND SECURITIES

Particulars of loans given, investments made, guarantees given and securities provided during the year under review and as covered under the provisions of Section 186 of the Companies Act, 2013 have been disclosed in the notes to the standalone financial statements forming part of the Annual Report.

MATTERS RELATED TO DIRECTORS AND KEY MANAGERIAL PERSONNEL

The Board of Directors of the Company comprises of seven Directors, of which three are Executive Directors, one Non-executive Woman Director and three Independent Directors (including Woman Independent Director). The constitution of the Board of Directors of the Company is in accordance with Section 149 of the Companies Act, 2013 and Regulation 17 of the Listing Regulations, as amended from time to time.

Re-appointments:

The Board of Directors at its meeting held on 14th May, 2022, subject to approval of shareholders, approved the re-appointment of Ms. Kalpana Unadkat (DIN:02490816) as an Independent Director of the Company for a second term of five years commencing from 30th July, 2023 at 22nd AGM scheduled to be held on 17th August, 2022.

Resolution seeking shareholders approval for her re-appointment along with other required details are provided as an Annexure to Notice of the Annual General Meeting.

Directors retiring by rotation

Pursuant to the provisions of Section 152 of the Companies Act, 2013 read with the relevant rules made thereunder, one-third of the Directors are liable to retire by rotation every year and if eligible, offer themselves for re-appointment at the AGM.

Mrs. Manjri Chandak (DIN: 03503615), Director being longest in the office, is liable to retire by rotation at the ensuing Annual General Meeting of the Company and she being eligible has offered herself for re-appointment. The Board of Directors on the recommendations of the Nomination & Remuneration Committee has recommended her re-appointment and the matter is being placed for seeking approval of members at the ensuing Annual General Meeting of the Company.

Pursuant to Regulation 36 of the Listing Regulations read with Secretarial Standard-2 on General Meetings, necessary details of Mrs. Manjri Chandak, are provided as an Annexure to the Notice of the Annual General Meeting.

Key Managerial Personnel

During the year under review, there was no change in Key Managerial Personnel of the Company as prescribed under section 203 of the Companies Act, 2013.

Declarations by Independent Directors

In accordance with Section 149(7) of the Companies Act, 2013, and Regulation 25(8) of the Listing Regulations, as amended, each Independent Director of the Company has provided a written declaration confirming that he/she meets the criteria of independence as stipulated under Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the Listing Regulations.

In the opinion of the Board, Independent Directors fulfill the conditions specified in Companies Act, 2013 read with the Schedules and Rules issued there under as well as Listing Regulations and are independent from Management.

All the Independent Directors of the Company have enrolled their names in the online database of Independent Directors maintained with the Indian Institute of Corporate Affairs in terms of Section 150 of the Companies Act, 2013 read with Rule 6 of the Companies (Appointment & Qualification of Directors) Rules, 2014.

Familiarization Programmes

The Company has conducted familiarization programmes for the Independent Directors of the Company covering the matters as specified in Regulation 25(7) of the Listing Regulations .The details of the training and familiarization programmes conducted by the Company are hosted on the Company's website under the web link http://www.dmartindia.com/investor-relationship.

DISCLOSURES RELATED TO BOARD, COMMITTEES AND POLICIES

Board Meetings

The Board of Directors met Five (5) times during the financial year under review. The details of the Board meetings and attendance of each Director thereat are provided in the Corporate Governance Report forming part of the Annual Report.

Audit Committee

The Company's Audit Committee composition is in line with the requirements of Section 177 of the Companies Act, 2013 and Regulation 18 of the Listing Regulations.

The composition of the Audit Committee is as under:

Sr. No.	Name	Category	Designation
1.	Mr. Chandrashekhar Bhave	Non-Executive and Independent Director	Chairman
2.	Mr. Ramesh Damani	Non-Executive and Independent Director	Member
3.	Ms. Kalpana Unadkat	Non-Executive and Independent Director	Member
4.	Mrs. Manjri Chandak	Non-Executive Director	Member

The Members of the Audit Committee are financially literate and have requisite accounting and financial management expertise. The terms of reference of the Audit Committee and the particulars of meetings held and attendance thereat are mentioned in the Corporate Governance Report forming part of the Annual Report. During the year under review, all the recommendations made by the Audit Committee were accepted by the Board.

Nomination and Remuneration Committee

The composition of the Nomination and Remuneration Committee is in conformity with the provisions of the Section 178 of the Companies Act, 2013 and Regulation 19 of the Listing Regulations.

The composition of the Nomination and Remuneration Committee is as under:

Sr. No.	Name	Category	Designation
1.	Mr. Chandrashekhar Bhave	Non-Executive and Independent Director	Chairman
2.	Mr. Ramesh Damani	Non-Executive and Independent Director	Member
3.	Mrs. Manjri Chandak	Non-Executive Director	Member

The terms of reference of the Nomination and Remuneration Committee and the particulars of meetings held and attendance thereat are mentioned in the Corporate Governance Report forming part of the Annual Report.

The Company has formulated Nomination and Remuneration Policy, which sets standards for nomination, remuneration and evaluation of the Directors, Key Managerial Personnel, Senior Management Personnel and other employees of the Company.

The Nomination and Remuneration Policy of the Company is hosted on the Company's website under the web link http://www.dmartindia.com/investor-relationship.

The Nomination and Remuneration Policy of the Company is disclosed under **Annexure-II** and forms part of this report.

Stakeholders Relationship Committee

Pursuant to Section 178 of the Companies Act, 2013 and Regulation 20 of the Listing Regulations, the Stakeholders' Relationship Committee was constituted by the Board of Directors.

The composition of the Stakeholders Relationship Committee is as under:

Sr. No.	Name	Category	Designation
1.	Mrs. Manjri Chandak	Non-Executive Director	Chairperson
2.	Mr. Ramesh Damani	Non-Executive and Independent Director	Member
3.	Mr. Ramakant Baheti	Executive Director	Member

The brief terms of reference of the Stakeholders' Relationship Committee and the particulars of meetings held and attendance thereat are mentioned in the Corporate Governance Report forming part of the Annual Report.

Corporate Social Responsibility Committee

In accordance with the provisions of Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended from time to time, the Board of Directors of the Company has constituted Corporate Social Responsibility (CSR) Committee. The Committee is entrusted with following responsibilities:

- To formulate CSR Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Act and recommend same to the Board;
- To recommend the amount of expenditure to be incurred on CSR activities;
- To recommend annual action plan to Board of Directors of the Company in pursuance to the CSR policy and any modification as may be required;
- To implement and monitor the CSR activities of the Company, which shall be in compliance with CSR objectives and Policy of the Company;
- To provide a report on CSR activities to the Board of the Company periodically;
- To undertake impact assessment, if required through an independent agency as per the requirements of Companies Act, 2013 and CSR rules made thereunder;
- To monitor and review the CSR Policy of the Company from time to time; and
- To ensure the compliance of Section 135 read with Schedule VII of Companies Act, 2013 and Companies (Corporate Social Responsibility Policy) Rules, 2014 and subsequent amendments thereto.

The brief outline of the Company's CSR initiatives undertaken during the year under review is furnished in **Annexure – III** in the format as prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended from time to time. The Company's CSR Policy is placed on the website of the Company www.dmartindia.com.

The composition of the CSR Committee is as under:

Sr. No.	Name	Category	Designation
1.	Mr. Chandrashekhar Bhave	Non-Executive and Independent Director	Chairman
2.	Mr. Ramesh Damani	Non-Executive and Independent Director	Member
3.	Mrs. Manjri Chandak	Non-Executive Director	Member
4.	Mr. Ramakant Baheti	Executive Director	Member

The brief terms of reference, particulars of meetings held and attendance thereat are mentioned in the Corporate Governance Report forming part of the Annual Report.

Risk Management Committee

Pursuant to Regulation 21 of the Listing Regulations, the Board has constituted Risk Management Committee to frame, implement and monitor risk management plan of the Company. The Board has adopted the Risk Management Policy and guidelines to mitigate foreseeable risks, avoid events, situations or circumstances, which may lead to negative consequences on the Company's businesses. The major risks identified are systematically approached through mitigating actions on continual basis. Risk evaluation is an ongoing and continuous process within the Company and it is regularly updated to the Board of the Company.

The Risk Management Committee has been entrusted with the responsibility to assist the Board in overseeing and approving the Company's enterprise wide risk management framework. A detailed analysis of the business risks and opportunities is given under Management Discussion and Analysis Report.

The composition of the Risk Management Committee is as under:

Sr. No.	Name	Category	Designation
1.	Mr. Ignatius Navil Noronha	Executive Director	Chairman
2.	Mr. Ramakant Baheti	Executive Director	Member
3.	Mrs. Manjri Chandak	Non-Executive Director	Member
4.	Ms. Kalpana Unadkat*	Non-Executive and Independent Director	Member
5.	Mr. Ashutosh Dhar	Sr. VP – Loss Prevention & Risk Management	Member
5.	Mr. Vikram Bhatia	Sr. VP – Information Technology	Member

*Ms. Kalpana Unadkat was appointed as a member of Risk Management Committee w.e.f. 10th July, 2021.

Director's Responsibility Statement

In terms of Section 134(5) of the Companies Act, 2013, in relation to the audited financial statements of the Company for the year ended 31st March, 2022; the Board of Directors hereby confirms that:

a. in the preparation of annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

b. such accounting policies have been selected and applied consistently and the Directors made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2022 and of the profit of the Company for that year;

c. proper and sufficient care was taken for the maintenance of adequate accounting records in accordance with the provisions of this Act, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d. the annual accounts of the Company have been prepared on a going concern basis;

e. they have laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and operating effectively;

f. proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Vigil Mechanism

Pursuant to the provisions of Section 177(9) of the Companies Act, 2013 read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014 and in accordance with Regulation 22 of the Listing Regulations, the Company had adopted 'Vigil Mechanism Policy' for Directors, Employees and other Stakeholders of the Company to report concerns about unethical behaviour. The policy provides a mechanism, which ensures adequate safeguards to Employees and Directors from any victimization on raising concerns of any violations of legal or regulatory requirements, incorrect or misrepresentation of any, financial statements and reports, and so on. The employees of the Company have the right/option to report their concern/grievance to the Chairman of the Audit Committee.

The Company is committed to adhere to the highest standards of ethical, moral and legal conduct of business operations. The Vigil Mechanism Policy is hosted on the Company's website www.dmartindia.com.

Annual Evaluation of Directors, Committees and Board

Pursuant to the provisions of the Companies Act, 2013 and as per the Listing Regulations, the Board of Directors has carried out annual performance evaluation of its own performance, the directors individually as well as the working of its Committees.

The performance of the Board as a whole and of its Committees was evaluated by the Board through structured questionnaire which covered various aspects such as the composition and quality, meetings and procedures, contribution to Board processes, effectiveness of the functions allocated, relationship with management, professional development, adequacy, appropriateness and timeliness of information etc.

Taking into consideration the responses received from the Individual Directors to the questionnaire, performance of the Board and its Committees was evaluated. The Directors expressed their satisfaction with the evaluation process.

In terms of requirements of Schedule IV of the Companies Act, 2013, a separate meeting of Independent Directors of the Company was held on Saturday, 08th January, 2022 to review:

- The performance of non-independent directors and the Board as a whole and its Committees thereof;
- The performance of the Chairperson of the company, taking into account the views of executive directors and non-executive directors;
- To assess the quality, quantity and timeliness of the flow of information between the Management and the Board.

Performance evaluation of Independent Directors was done by the entire Board, excluding the Independent Director being evaluated.

PARTICULARS OF EMPLOYEES

The disclosure pertaining to remuneration and other details as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed to this Report as **Annexure–IV**.

In terms of Section 136(1) of the Act, details of employee remuneration as required under provisions of Section 197 of the Companies Act, 2013 and rule 5(2) and rule 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are available for inspection and any member interested in obtaining a copy of the same may write to Company at investorrelations@dmartindia.com from their registered e-mail address.

Employee Stock Options

The Members of the ESOP Committee vide circular resolution dated 14th March, 2017 approved grant of 13,973,325 options under the ESOP Scheme 2016 to 4,747 eligible employees of the Company, irrespective of their grade, pursuant to the eligibility criteria stipulated under the ESOP Scheme 2016.

The Employee Stock Option Scheme 2016 is being administered and monitored by the ESOP Committee of the Company. The scheme is in compliance with the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.

During the year under review no options were exercised during the year under the ESOP Scheme 2016.

In terms of the provisions of the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 the details of the Stock Options granted under the aforesaid ESOP Scheme are uploaded on the website of the Company www.dmartindia.com.

A certificate from Rathi and Associates, Secretarial Auditors of the Company, has been obtained by the Company with respect to implementation of Employee Stock Option Scheme, 2016 and the same shall be available for inspection by Members who request for the same by sending e-mail to Company at investorrelations@dmartindia.com from their registered e-mail address.

Internal Financial Control Systems and their adequacy

The details of the internal financial control systems and their adequacy are included in Management Discussions and Analysis Report, which forms part of the Annual Report.

AUDITORS AND REPORTS

The matters related to Auditors and their Reports are as under:

Statutory Auditors

S R B C & Co LLP, Chartered Accountants (Firm Registration No.324982E/E300003) were appointed as Statutory Auditors of the Company at the 17th AGM held on 6th September, 2017, to hold office till the conclusion of ensuing 22nd AGM.

The Board of Directors of the Company at their meeting held on 14th May, 2022 on the recommendation of the Audit Committee and subject to the approval of the shareholders of the Company at the ensuing AGM, have approved the re-appointment of S R B C & Co LLP, Chartered Accountants (Firm Registration No.324982E/E300003), as the Statutory Auditors, for a further period of 5 (Five) years i.e. from the conclusion of the 22nd AGM till the conclusion of 27th AGM of the Company. The Company has received written consent and certificate of eligibility in accordance with Sections 139, 141 and other applicable provisions of the Act and Rules issued thereunder, from S R B C & Co LLP, Chartered Accountants.

Required resolution for re-appointment of the said Auditor is included in the Notice of AGM for seeking approval of the members.

The Auditors have issued an unmodified opinion on the Financial Statements, both standalone and consolidated for the financial year ended 31st March, 2022. The said Auditors' Report(s) for the financial year ended 31st March, 2022 on the financial statements of the Company forms part of this Annual Report.

Observations of Statutory Auditors on Accounts for the year ended 31st March, 2022

The Auditors Report for the financial year ended 31st March, 2022 does not contain any qualification, adverse remark or reservation and therefore, do not call for any further explanation or comments from the Board under Section 134(3) of the Companies Act, 2013.

The Auditors have not reported any matter to the Company required to be disclosed under Section 143(12) of the Companies Act, 2013.

Secretarial Audit Report for the year ended 31st March, 2022

The Secretarial Audit Report, pursuant to the provisions of Section 204 read with Section 134(3) of the Companies Act, 2013, was obtained from M/s. Rathi and Associates, Practicing Company Secretaries in Form MR-3 for the FY 2021-22. The Secretarial Audit Report does not contain any qualifications, reservations or adverse remarks.

The said Report is disclosed under **Annexure–V** and forms part to this report.

Internal Audit and Control

The Company has robust internal audit system for assessment of audit findings and its mitigation. The Internal Audit function covers all the stores, distribution centers, inventory audit, stock takes, audit for project related accounts, corporate accounts etc.

During the year under review Mr. Rajan Arora resigned as an Internal Auditor of the Company w.e.f. 16th October, 2021 and Mr. Rohit Mundhra was appointed as an Internal Auditor of the Company by the Board based on the recommendation of the Audit Committee at its meeting held on 16th October, 2021.

The Internal Auditor of the Company directly reports to the Audit Committee for functional matters. The Audit Committee reviews internal audit report and controls at its quarterly meetings. Company's internal controls are commensurate with the size and operations of the business. Continuous internal monitoring mechanism ensures timely identification and redressal of issues.

OTHER DISCLOSURES:

Other disclosures as per the provisions of Section 134 of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014 are furnished as under:

Annual Return

In terms of Section 92(3) of the Companies Act, 2013 read with Section 134(3)(a) of the Companies Act, 2013, the Annual Return of the Company as on 31st March, 2022 is available on the Company's website at http://www.dmartindia.com/investor-relationship.

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

The particulars as required to be furnished as per the provisions of Section 134(3) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 with respect to conservation of energy, technology absorption, foreign exchange earnings and outgo are disclosed under **Annexure–VI** which forms part of this Report.

Report on Corporate Governance and Management Discussion and Analysis

A separate report on Corporate Governance is provided together with the Certificate from the Practicing Company Secretaries confirming compliance of conditions of Corporate Governance as stipulated under the Listing Regulations. Pursuant to the provisions of Regulation 34 read with Schedule V of the Listing Regulations, a report on Management Discussion & Analysis is attached separately, which forms part of this Annual Report.

Business Responsibility Report

The Company's sustainability initiatives as provided in the Business Responsibility Report are in line with the key principles enunciated in "National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business" framed by the Ministry of Corporate Affairs. Pursuant to the provisions of Regulation 34 of the Listing Regulations, the said report is attached separately, which forms part of this Annual Report.

Secretarial Standards Compliance

During the year under review, the Company has complied with all the applicable Secretarial Standards issued by The Institute of Company Secretaries of India and approved by the Central Government pursuant to Section 118 of the Companies Act, 2013.

Disclosures as per the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The Company has zero tolerance for sexual harassment at workplace and has adopted a policy on prevention, prohibition and redressal of sexual harassment at work place in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules thereunder for prevention and redressal of complaints of sexual harassment at workplace. The Company has complied with provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

The details of complaints reported under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 during FY 2021-22 are as follows:

No. of Complaints received during the year	0
Complaints received in FY 2020-21, disposed off during the year	1
No. of complaints pending as on 31.03.2022	0

GENERAL

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions for the same during the year under review:

1. Deposits covered under Chapter V of the Companies Act, 2013;

2. Material changes and/ or commitments that could affect the Company's financial position, which have occurred between the end of the financial year of the Company and the date of this report;

3. Significant or material orders passed by the Regulators or Courts or Tribunals, impacting the going concern status and Company's operations in future;

4. Non-exercising of voting rights in respect of shares purchased directly by employees under a scheme pursuant to Section 67(3) of the Companies Act, 2013 read with Rule 16(4) of Companies (Share Capital and Debentures) Rules, 2014;

5. Receipt of any remuneration or commission from any of its subsidiary companies by the Managing Director or the Whole-Time Directors of the Company;

6. Revision of the financial statements pertaining to previous financial periods during the financial year under review;

7. Maintenance of cost records as per sub-section (1) of Section 148 of the Companies Act, 2013;

8. Frauds reported as per Section 143(12) of the Companies Act, 2013;

9. The details of application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the year along with their status as at the end of the financial year and

10. The details of difference between amount of the valuation done at the time of one-time settlement and the valuation done while taking loan from the Banks or Financial Institutions along with the reasons thereof.

ACKNOWLEDGEMENTS AND APPRECIATION

Your Board takes this opportunity to thank Company's employees at all levels for their hard work and commitment. Your Board also places on record its sincere appreciation for the continued support received from the customers, members, suppliers, bankers, financial institutions and all other business partners/associates.

For and on behalf of the Board of Directors of
Avenue Supermarts Limited

Ignatius Navil Noronha	**Ramakant Baheti**
Managing Director & CEO	Whole-time Director & Group CFO
DIN: 01787989	DIN: 00246480

Date: 14th May, 2022
Place: Thane

Registered Office:
Anjaneya CHS Limited, Orchard Avenue,
Opp. Hiranandani Foundation School,
Powai, Mumbai – 400 076
CIN: L51900MH2000PLC126473
Tel No.: 022-40496500
EmailId:investorrelations@dmartindia.com
Website: www.dmartindia.com

ANNEXURE I

STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIAL STATEMENT OF SUBSIDIARIES/ ASSOCIATE COMPANIES/ JOINT VENTURES

FORM AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Part "A": Subsidiaries

(₹ in Lakh)

1	Name of the Subsidiaries	Align Retail Trades Private Limited	Avenue Food Plaza Private Limited	Nahar Seth & Jogani Developers Private Limited	Avenue E-Commerce Limited	Reflect Wholesale and Retail Private Limited
2	Date since when subsidiary was acquired	18.08.2009	18.08.2009	21.02.2014	02.02.2018	28.05.2018
3	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Same as of the Holding Company	Same as of the Holding Company	Same as of the Holding Company	Same as of the Holding Company	Same as of the Holding Company
4	Reporting currency and Exchange rate as on the last date of the relevant Financial Year in the case of foreign subsidiaries.	N.A	N.A	N.A	N.A	N.A
5	Share capital	380.00	1.67	10.00	35,476.72	10.00
6	Reserves and Surplus	11,373.08	2,856.54	393.05	(29,525.21)	(2.03)
7	Total Assets	14,797.67	5,523.12	1,247.01	51,965.54	8.24
8	Total Liabilities	3,044.59	2,664.91	843.96	46,014.03	0.27
9	Investments	Nil	161.83	Nil	430.78	Nil
10	Turnover	158,708.76	4,333.56	75.00	166,720.64	Nil
11	Profit/ Loss before taxation	2,301.43	53.24	70.30	(14,207.22)	(0.58)
12	Tax Expense	586.92	22.37	15.33	Nil	Nil
13	Profit/ Loss after taxation	1,714.51	30.87	54.97	(14,207.22)	(0.58)
14	Proposed Dividend	Nil	Nil	Nil	Nil	Nil
15	% of shareholding	**100%**	**100%**	**90%**	**99.85%**	**100%**

*Total Liabilities excluding of share capital and Reserves & Surplus

Names of the subsidiaries which are yet to commence operations – Reflect Wholesale and Retail Private Limited

Names of subsidiaries which have been liquidated or sold during the year – NIL

Statement pursuant to Section 129(3) of the Companies Act, 2013 related to the Associate Companies & Joint Ventures

Part "B": Associates and Joint Ventures

Note: The Company does not have any Associate / Joint Venture Company as on 31st March, 2022

Names of the associate or joint ventures which are yet to commence operations - NIL

Names of the associate or joint ventures which have been liquidated or sold during the year – NIL

For and on behalf of the Board of Directors of
Avenue Supermarts Limited

Ignatius Navil Noronha	Ramakant Baheti	Niladri Deb	Ashu Gupta
Managing Director & CEO	Whole-time Director & Group CFO	Chief Financial Officer	Company Secretary
DIN:01787989	DIN:00246480		

Date: 14th May, 2022
Place: Thane

ANNEXURE II

NOMINATION AND REMUNERATION POLICY

INTRODUCTION

This policy on nomination and payment of remuneration to Directors, Key Managerial Personnel and other employees has been formulated by the Nomination and Remuneration Committee ("the Committee") and approved by the Board of Directors.

OBJECTIVES OF THE POLICY

i. To formulate the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy relating to the remuneration for the Directors, Key Managerial Personnel and other employees;

ii. To formulate the criteria for evaluation of performance of Independent Directors and the Board of Directors;

iii. To identify the persons who are qualified to become Directors and persons who may be appointed in Key Managerial and Senior Management positions in accordance with the criteria laid down in this policy;

iv. To guide the Committee on appointment and removal of Director, Key Managerial Personnel and Senior Management Personnel;

v. To devise a policy on diversity of the Board of Directors;

vi. To assist the Committee on extension/ continuation of the term of appointment of the Independent Director on the basis of the report of performance evaluation of Independent Directors;

vii. To recommend to the Board, all remuneration in whatever form, payable to senior management.

This Policy is divided in two parts:

Part A - Policy for appointment of and payment of remuneration to Director, Key Managerial Personnel and other employees.

Part B - Policy on Diversity of Board of Directors of the Company.

Effective Date

The policy has been formulated by the Nomination and Remuneration Committee and adopted by the Board of Directors at its meeting held on 25th April, 2014 and as amended from time to time. This policy shall be operational with immediate effect.

Part A - Policy for Appointment of and Payment of Remuneration to Director, Key Managerial Personnel and other employees.

Definitions

Board: Board means Board of Directors of the Company.

Director: Director means Director of the Company appointed in accordance with the Companies Act, 2013.

Committee: Committee means Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board, from time to time.

Company: Company means Avenue Supermarts Limited.

Independent Director: As provided under the Companies Act, 2013 and Regulation 16(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended from time to time.

Key Managerial Personnel: Key Managerial Personnel (KMP) means-

(i) the Chief Executive Officer or the Managing Director or the Manager;

(ii) the Company Secretary;

(iii) the Whole-time Director;

(iv) the Chief Financial Officer; and

(v) such other officer, not more than one level below the directors who is in whole-time employment designated as key managerial personnel by the Board; and

(vi) such other officer as may be prescribed

Senior Management: The expression Senior Management means personnel of the Company who are members of its core management team excluding the Board of Directors and normally this shall comprise all members of management one level below the Chief Executive Officer/ Managing Director/ Whole-time Director/ Manager (including Chief Executive Officer/ Manager, in case they are not part of the board) and shall specifically include Company Secretary and Chief Financial Officer.

Other Employees: The expression shall mean all the permanent employees of the Company excluding the Board of Directors and the Key Managerial Personnel.

ANNEXURE II

Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined under the Companies Act, 2013 or SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as may be amended from time to time shall have the meaning respectively assigned to them therein.

Applicability

The Policy is applicable to:

- Directors (Executive and Non-Executive)
- Key Managerial Personnel (hereinafter referred to as "KMP")
- Senior Management Personnel and other employees

Constitution of the Nomination and Remuneration Committee

The Board has the power to constitute/ re-constitute the Committee from time to time in order to make it consistent with the Company's policy and applicable statutory requirement.

General Appointment Criteria

i. The Committee shall consider the ethical standards of integrity and probity, qualification, expertise and experience of the person for appointment as Director, Independent Director or KMP and accordingly recommend to the Board his/her appointment.

ii. The Company should ensure that the person so appointed as Director/ Independent Director/ KMP shall not be disqualified under the Companies Act, 2013, rules made thereunder, or any other enactment for the time being in force.

iii. The Director/ Independent Director/ KMP shall be appointed as per the procedure laid down under the provisions of the Companies Act, 2013, rules made there under, and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended from time to time).

iv. While evaluating the person for appointment/re-appointment of Senior Management position, the HR Head shall consider individual's background, competency, skills, educational and professional background, age and relevant experience and the same shall be then recommended to the Chief Executive Officer (hereinafter referred to as "CEO") and/or Managing Director of the Company. The CEO and/or the Managing Director of the Company in accordance with the applicable provisions of the Companies Act, 2013 and in accordance with the Company's HR Policy shall make appointment/ re-appointments of Senior Management Personnel.

Additional Criteria for Appointment of Independent Directors

The appointment of Independent Directors shall be governed as per the provisions of Section 149 read with Schedule IV of the Companies Act, 2013 (as amended from time to time) and applicable regulation of SEBI (LODR) Regulations, 2015 (as amended from time to time).

Term / Tenure

The Term/ Tenure of the Directors/ Independent Directors/ KMP shall be determined by the Committee in accordance with the provisions of the Companies Act, 2013 and rules made there under as amended from time to time.

Removal

Due to reasons for any disqualification mentioned in the Companies Act, 2013, rules made there under or under any other applicable Act, rules and regulations or any other reasonable ground, the Committee may recommend to the Board for removal of a Director, KMP or Senior Management Personnel subject to approval of shareholders of the Company by way of a special resolution as per the provisions and compliance of the said Act, rules and regulations.

Retirement

The Directors and Key Managerial Personnel, Senior Management Personnel and other employees shall retire as per the provisions of the applicable Acts, Rules and Regulations and in accordance with the prevailing HR policy of the Company.

Remuneration

The Committee will recommend the remuneration to be paid to the CEO and/or the Managing Director, Whole-time Director, KMP and other employees as specified in this Policy to the Board for their approval.

The level and composition of remuneration so determined by the Committee shall be reasonable and sufficient to attract, retain and motivate Directors, Key Managerial Personnel and Senior Management of the quality required to run the Company successfully. The relationship of remuneration to performance should be made clear and should meet appropriate performance benchmarks. The remuneration should also involve a balance between fixed and incentive pay reflecting short- and long-term performance objectives appropriate to the working of the Company and its goals:

1. Managing Director/ Whole-time Director

i. The overall limits of the remuneration/ compensation/ commission to be paid to the Managing Director/ Whole-time Director shall be governed as per provisions of Section 197 of the Companies Act, 2013, rules made there under and Schedule V of the Companies Act, 2013 or any other enactment for the time being in force.

ANNEXURE II

ii. The remuneration shall be divided in fixed and variable components, if any. The fixed component shall comprise salary, perquisites, allowances, amenities; whereas the variable component consists of performance bonus.

iii. The annual increments for the CEO and/or the Managing Director/ Whole-time Director shall be carried out by the Board of Directors on prior recommendations of the Committee.

iv. The Managing Director/ Whole-time Director of the Company may also be eligible for stock options as per the scheme framed/ to be framed by the Company, from time to time.

2. Non-Executive Directors

i. The Non-Executive Directors including Independent Directors shall be paid sitting fees for attending meetings of the Board and the Committee thereof.

ii. The quantum of the sitting fees shall be recommended by the Nomination and Remuneration Committee to the Board for their approval and that the same shall be within maximum limits as provided under the Companies Act, 2013.

iii. The Independent Directors shall be paid Commission within the limit not exceeding 1% of the net profits of the Company computed as per the applicable provisions of the Companies Act, 2013.

iv. Independent Director shall not be eligible for Stock Options.

3. KMP/ Senior Management Personnel/ Other Employees

i. The Remuneration to be paid to KMP shall be based on the experience, qualification and expertise of the related personnel and governed by the limits, if any prescribed under the Companies Act, 2013 and rules made there under or any other enactment for the time being in force.

ii. The remuneration, performance appraisal and rewards to Senior Management and other employees, shall be in line with the stated objectives.

iii. The Senior Management Personnel and other employees of the Company shall be paid monthly remuneration comprises basic salary, dearness allowance, house rent allowance, ex-gratia, performance bonus, contribution to provident fund and superannuation fund, premium on medical insurance and personal accident insurance, gratuity, leave travel allowance, leave encashment, and so on, as applicable and linked to their grade as per the Company's HR Policy and as approved by the CEO and/or the Managing Director of the Company.

iv. If the remuneration of any other employee is specifically required to be approved by the Committee or Board of Directors under any regulations, then such approval will be accordingly sought.

v. The annual increments for the Key Managerial Personnel/ Senior Management Personnel/ Managing Director/Whole-time Director/ Manager shall be carried out by the Board of Directors on prior recommendations of the Committee.

vi. The annual increments of other employees shall be linked to their overall performance and as decided by the CEO and/or the Managing Director in consultation with their reporting managers and Human Resources Department.

vii. The KMP, Senior Management Personnel and other employees of the Company may also be eligible for stock options as per the scheme framed/ to be framed by the Company, from time to time.

viii. All the employees of the Company must conduct themselves to ensure that no breach of Code of Conduct, Standard Operating Procedures (SOPs) and all other relevant and applicable Codes are committed. Any such breach will have a direct bearing on their performance appraisal and rewards and shall also attract appropriate disciplinary action.

4. Directors' and Officers' Insurance

Where any insurance is taken by the Company on behalf of its Directors, KMPs and Senior Management Personnel, among others for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel unless otherwise specifically provided under the Act.

Provided where any Director, KMP and SMP are proved to be guilty, then the premium paid on such insurance shall be treated as part of the remuneration.

Annual Evaluation

The annual evaluation of the Directors, Independent Directors and KMP shall be carried out by the Board of Directors of the Company in pursuance of the Annual Performance Evaluation Policy of the Company.

i. The annual increment and performance based bonus is based on criteria of roles and responsibility, the Company's performance with the annual budget achievement, individual performance of the Senior Management Personnel vis-à-vis industry's benchmarks.

ii. The Nomination and Remuneration Committee shall specify the manner for effective evaluation of performance of the

ANNEXURE II

Board, its committees and individual Directors to be carried out either by the Board of Directors, by the Committee or by an independent external agency and review its implementation and compliance.

Part B – Policy on Diversity of Board of Directors of the Company

A. Policy Statement

The Company recognises and embraces the benefits of having a diverse Board that possesses a balance of skills, experience, expertise and diversity of perspectives appropriate to the requirements of the business of the Company. Diversity at Board level is an essential element in maintaining a competitive advantage. A truly diverse Board will include and make good use of varieties of skills, regional and industry experience, background, race, gender and other distinctions between Directors. These differences will be considered in determining the optimum composition of the Board and when required should be balanced appropriately.

The Company maintains that Board appointments should be based on merit that complements and expands the skills, experience and expertise of the Board as a whole taking into account knowledge, professional experience and qualifications, gender, age, cultural and educational background, and any other factors that the Board might consider relevant and applicable from time to time for it to function effectively. In the process of attaining a diverse Board based on the aforementioned criteria, the following criteria needs to be assessed:

I. Optimum Composition

(a) The Board shall have an optimum combination of Executive and Non-Executive Directors and not less than 50% of the Board of Directors comprising Non-Executive Directors;

(b) At least one-third of the Board should comprise of Independent Directors where the Chairperson of the Board is Non-Executive Director and where the Company does not have a regular non-executive Chairperson, at least half of the board of directors shall comprise of independent directors.

(c) The Company shall continue to have at least one Independent Woman Director on the Board to ensure that there is no gender inequality on the Board.

II. Recommendation

While recommending the appointment of new Directors, the Committee will:

(a) Review Board composition, consider the benefits of all aspects of diversity including, but not limited to, those described above, in order to enable it to discharge its duties and responsibilities effectively.

(b) Identify suitable candidates for appointment to the Board, consider candidates on merit against objective criteria and with due regard for the benefits of diversity on the Board.

(c) For every appointment of an independent director, the Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description.

III. Functional Diversity

(a) Appointment of Directors to the Board of the Company should be based on specific needs and business of the Company. Appointment should be done based on the qualification, knowledge, experience and skill of the proposed appointee which is relevant to the business of the Company;

(b) Knowledge of and experience in domain areas such as finance, legal, risk management, industry, and so on, should be duly considered while making appointments to the Board level;

(c) While appointing Independent Directors, care should be taken as to the independence of the proposed appointee;

(d) Directorships in other companies may also be taken into account while determining the candidature of a person.

REVIEW AND AMENDMENTS

The Committee can amend the policy as and when deemed fit. Any or all provisions of this policy are subject to revision/ amendment in accordance with the rules/ regulations/ notifications etc. as maybe issued by the relevant statutory authorities from time to time.

In case of any amendment(s)/ clarification(s), circular(s) etc. issued by the relevant authorities found inconsistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions hereunder and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s) etc.

ANNEXURE III

ANNUAL REPORT ON CSR ACTIVITIES

(As per Annexure II of the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021)

1. Brief Outline of CSR Policy of the Company

Education is the single most powerful tool to empower an individual and the Company's CSR programmes are primarily in the education sector, where it adopts and supports schools in and around Maharashtra, helping students achieve quality tutoring. The Company started 'School Excellence Programme' as one of the CSR initiatives which consist of education intervention, promoting education and providing educational opportunity to children from socially and economically disadvantaged communities.

The Company has continuously researched to fulfill stakeholders' needs. We believe in improving the quality of life of people in communities and giving precedence to the local areas in our business. With core values of action, care and truth we shall continue to shoulder our social responsibility while executing our business endeavors. The Company strongly believes in the interests of the community, hence aims to undertake activities with a focused approach for the marginalised sections in the local communities. The Company has decided to make a real difference to the underprivileged by strengthening government schools, impacting education and inspiring lives.

The CSR Policy of the Company is also available on the Company's website: www.dmartindia.com.

2. The composition of the CSR Committee

Sr. No.	Name of Director	Nature of Directorship	Designation	No. of meetings of CSR Committee held during the year	No. of meetings of CSR Committee attended during the year
1.	Mr. Chandrashekhar Bhave	Non-Executive & Independent Director	Chairman	5	5
2.	Mr. Ramesh Damani	Non-Executive & Independent Director	Member	5	5
3.	Mrs. Manjri Chandak	Non-Executive Director	Member	5	5
4.	Mr. Ramakant Baheti	Executive Director	Member	5	5

3. Provide the web-link where composition of CSR Committee, CSR Policy and CSR Projects approved by the Board are disclosed on the website of the Company: https://www.dmartindia.com/investor-relationship

4. Provide the details of Impact Assessment of CSR projects carried out in pursuant of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility) Rules, 2014, if applicable attach the report:

Impact Assessment for below mentioned CSR projects were carried out by the Company:

- Hospital Project: Establishment of specialty hospital for treating mouth & throat Cancer (CanCare Trust)
- Promoting Sports (Olympic Gold Quest –OGQ)
- Coaching Courses for JEE & NEET for Govt. School students (Dakshana India Educational Trust)
- Covid-19 relief project

These reports are available on the Company's website: https://www.dmartindia.com/investor-relationship

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any

Sr. No.	Financial Year	Amount available for set-off from preceding financial years (₹ in Cr)	Amount required to be set-off for the financial year, if any (₹ in Cr)
1	2020-21	0.94	0.94
	TOTAL	**0.94**	**0.94**

Note: Amount of ₹0.94 crore available for set-off from the financial year 2020-21 was utilised for CSR activities during the financial year 2021-22.

ANNEXURE III

6. **Average net profit of the Company as per section 135(5):** ₹1,611.51 crore

7. (a) **Two percent of average net profit of the Company as per section 135(5):** ₹32.23 crore

   (b) **Surplus arising out of the CSR projects or programmes or activities of the previous financial years:** Nil

   (c) **Amount required to be set off for the financial year, if any:** ₹0.94 crore

   (d) **Total CSR obligation for the financial year (7a+7b-7c). :** ₹31.29 crore

8. **(a) CSR amount spent or unspent for the financial year:**

Total Amount Spent for the Financial Year (₹ In crore)	Amount Unspent (₹ in crore)				
	Total Amount transferred to Unspent CSR Account as per section135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
29.13	2.16	29th April, 2022	N.A.	N.A.	N.A.

(b) Details of CSR amount spent against ongoing projects for the financial year:

1	2	3	4	5		6	7	8	9	10	11	
Sr. No	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/ No)	Location of the project		Project duration	Amount allocated for the project (₹ in crore)	Amount spent in the current financial Year (₹ in crore)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (₹ in crore)	Mode of Implementation-Direct (Yes/No)	Mode of Implementation – Through Implementing Agency	
				State	District						Name	CSR Registration no.
1	Education	(ii)										
	Digital Literacy, Reading Programme, English for All, Swachh School Abhiyaan (SSA), Parent Counselling		Yes	Maharashtra	Mumbai City, Mumbai Suburban, Thane, Raigad, Pune, Kolhapur, Aurangabad	Min. 1 year	13.63	13.63	NA	Yes	NA	NA
2	IIT-Bombay (Educational and scientific research)	(ix) (b)	Yes	Maharashtra	Mumbai	Min. 1 year	2.26	0.10	2.16	No	DMart Foundation	CSR00004900
3	Sports	(vii)										
	Sports and Play and Sports Centers		Yes	Maharashtra	Mumbai City, Mumbai Suburban, Thane	Min. 1 year	0.44	0.44	NA	Yes	NA	NA
4	Nutrition	(i)										
	Contribution to Kitchen Building		Yes	Maharashtra	Bhiwandi	Min. 1 year	0.55	0.55	NA	No	Akshaya Patra Foundation	CSR00000286
5	Skills & Livelihood	(ii)										
	Skilling Programme (Yuvaparivartan)		Yes	Maharashtra	Mumbai, Raigad	Min. 1 year	0.20	0.20	NA	No	Kherwadi Social Welfare Association	CSR00000920
	TOTAL						**17.08**	**14.92**				

DMart

ANNEXURE III

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

1	2	3	4	5		6	7	8	
Sr. No.	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes/ No)	Location of the project		Amount spent for the project (₹ in crore)	Mode of implementation- Direct (Yes/ No)	Mode of implementation - Through implementing agency	
				State	District			Name	CSR registration no.
1	Education	(ii)							
	Free coaching for competitive exams, Balwadi's for tribal children.		Yes	Maharashtra & Rajasthan	Mumbai, Pune & Udaipur	2.71	No	DMart Foundation	CSR00004900
	Residential program for educational intervention		Yes	Karnataka	Bangalore	0.45	No	Shanti Bhavan Educational Trust	CSR00000476
2	Health	(i)							
	Infrastructure creation for various Hospitals		Yes	Maharashtra	Mumbai, Thane & Aurangabad	8.36	No	DMart Foundation	CSR00004900
			Yes	Maharashtra	Aurangabad	1.09	Yes	NA	NA
			Yes	Maharashtra	Palghar	0.49	Yes	NA	NA
			Yes	Maharashtra	Mumbai	0.05	Yes	NA	NA
			Yes	Maharashtra	Thane	0.05	Yes	NA	NA
3	Nutrition	(i)							
	Facilitate food distribution		Yes	Maharashtra	Mumbai	0.06	No	Roti Bank	CSR00006332
	Disaster Relief Services		Yes	Maharashtra	Ratnagiri	0.16	Yes	NA	NA
	Grocery Distribution for Covid-19		Yes	Maharashtra	Mumbai	0.003	Yes	NA	NA
	TOTAL					13.42			

(d) Amount spent in Administrative Overheads: ₹0.54 crore

(e) Amount spent on Impact Assessment, if applicable: ₹0.25 crore

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): ₹29.13 crore

(g) Excess amount for set-off, if any: Nil

Sr. No.	Particular	Amount (₹ in Cr)
(i)	Two percent of average net profit of the company as per section 135(5) (₹32.23 Cr – ₹0.94 Cr)	31.29
(ii)	Total amount spent for the Financial Year	29.13
(iii)	Excess amount spent for the financial year [(ii)-(i)]	-
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	-
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	-

ANNEXURE III

9. (a) Details of Unspent CSR amount for the preceding three financial years:

Sr. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135(6) (₹ in crore)	Amount spent in the Reporting Financial Year (₹ in crore)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (in ₹)
				Name of the Fund	Amount (in ₹)	Date of transfer	
1	2018-19	NA	-	NA	NA	NA	NA
2	2019-20*	NA	-	NA	NA	NA	NA
3	2020-21	NA	-	NA	NA	NA	NA
	TOTAL		**-**				

*Unspent amount of ₹4.94 crore for FY 2019-20 were spent in the FY 2020-21.

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

1	2	3	4	5	6	7	8	9
Sr. No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (in ₹)	Amount spent on the project in the reporting Financial Year (in ₹)	Cumulative amount spent at the end of reporting Financial Year (in ₹)	Status of the project- Completed /Ongoing
1					Nil			

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details).

(a) Date of creation or acquisition of the capital asset(s): NA

(b) Amount of CSR spent for creation or acquisition of capital asset.: NA

(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.: NA

(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset): NA

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5).

DMart Foundation with a view to promote educational and scientific research decided to contribute funding to IIT Bombay as an ongoing project. Accordingly, ₹10 lakh were contributed in FY 2021-22 and the balance amount will be provided to IIT - Bombay in next 3 years.

For and on behalf of the Board of Directors of
Avenue Supermarts Limited

Ignatius Navil Noronha
Managing Director & CEO
DIN: 01787989

Chandrashekhar Bhave
Chairman of CSR Committee
DIN: 00059856

Date: 14th May, 2022
Place: Thane

ANNEXURE IV

INFORMATION REQUIRED UNDER SECTION 197 OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

Ratio of Remuneration of each Director to the median remuneration of all the employees and details of percentage increase in the remuneration of Directors, Chief Executive Officer, Chief Financial Officer and Company Secretary in the FY 2021-22 are as follows:

Name of Director and KMP	Designation	Ratio of remuneration of each director to median remuneration of employees	% increase in remuneration in the financial year
Mr. Ramesh Damani	Independent Director & Chairman	11.89	21.00
Mr. Chandrashekhar Bhave	Independent Director	11.69	21.00
Ms. Kalpana Unadkat	Independent Director	11.46	21.00
Mrs. Manjri Chandak	Non-Executive Director	2.41	-
Mr. Ignatius Navil Noronha	Managing Director & CEO	150.35	-
Mr. Ramakant Baheti	Whole-time Director & Group CFO	34.38	-
Mr. Elvin Machado	Whole-time Director	29.60	5.26
Mr. Niladri Deb	Chief Financial Officer	-	12.81
Mrs. Ashu Gupta	Company Secretary	-	7.23

Notes:

1. Remuneration comprises salary, allowances, Company's contribution to provident fund, taxable value of perquisites.
2. The median remuneration of the Company for all its employees is ₹302,867/- for the FY 2021-22. For calculation of median remuneration, the employee count taken is 8,750 which comprises employees who have served for the whole of the financial year 2021-22.
3. The percentage increase in the median remuneration of employees other than managerial personnel in the financial year 2021-22 was 9.68%.
4. Average percentage increase made in the salaries of employees other than the key managerial personnel in the financial year was 9.92% whereas the increase in the key managerial personnel remuneration was 0.63%.
5. The number of permanent employees on the rolls of Company as on 31st March, 2022 was 11,312.
6. The remuneration is as per the Nomination and Remuneration Policy of the Company.
7. Details of employee remuneration as required under provisions of Section 197 of the Companies Act, 2013 and Rule 5(2) and Rule 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are available for inspection and any Member interested in obtaining a copy of the same may write to Company at investorrelations@dmartindia.com from their registered e-mail address.

ANNEXURE V

SECRETARIAL AUDIT REPORT

[Pursuant to Section 204(1) of the Companies Act, 2013 and rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]
For the Financial Year ended 31st March, 2022

To,
The Members,
Avenue Supermarts Limited
Anjaneya CHS limited, Orchard Avenue
Opp. Hiranandani Foundation School
Powai, Mumbai – 400 076

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Avenue Supermarts Limited (hereinafter called "the Company"). The Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minutes books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended 31st March, 2022, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

1. We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended 31st March, 2022, according to the provisions of:

    (i) The Companies Act, 2013 ('the Act') and the rules made thereunder to the extent applicable;

    (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;

    (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;

    (iv) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):

    a. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 ('PIT Regulations');

    b. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

    c. The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.

2. Provisions of the Foreign Exchange Management Act, 1999 and the rules and regulations made there under were not applicable to the Company under the financial year under report.

3. Provisions of the following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') were not applicable to the Company under the audit period under report:

    (i) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021;

    (ii) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;

    (iii) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

    (iv) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

    (v) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

    (vi) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008.

4. We further report that, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has generally complied with the following laws specifically applicable to the Company:

    a. Shops & Establishment Act and Rules
    b. Legal Metrology Act, 2009
    c. Food Safety and Standards Act, 2006
    d. Prevention of Food and Adulteration Act, 1945

ANNEXURE V

e. Standards of Weights and Measures Act, 1985
f. Local/Municipality Laws

We have also examined compliance with the applicable clauses of Secretarial Standards-1 and 2 issued by The Institute of Company Secretaries of India under the provisions of Companies Act, 2013 and during the financial year under report, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the Adjudication Order No. Order/AA/MG/2020-21/8529-8531 dated 31st July, 2020 issued by the SEBI in relation to the transaction of sale of shares entered into by an employee of the Company on 3rd April 2018, whereby penalty of ₹3,00,000/- was imposed by the Adjudicating Officer on the Company under the provisions of Section 15A(b) of the SEBI Act, for delay in making the disclosures under Regulation 7(2)(b) of SEBI (Prohibition of Insider Trading) Regulations, 2015 (“PIT Regulations’) with respect to the said transaction. While issuing the aforesaid adjudication order, the concerned officer had relied on the benpos report received by the Company on 9th April 2018. In connection with the said Adjudication Order, the Company filed an appeal with the Securities Appellate Tribunal (“SAT”) on 12th September, 2020 on the grounds that the concerned employee had not made disclosure of the said transaction to the Company and that it was practically impossible for the Company to extract relevant information from benpos report. After the virtual hearing on 11th January 2022 on the said appeal, the SAT issued an Order on 17th January, 2022 wherein the SAT noted that the reliance made by the Adjudicating Officer on Benpos report is incorrect. However, based on the emails exchanged between the SEBI and the Company in the said matter, the SAT upheld the quantum of penalty awarded by the Adjudicating Officer on the Company on account of delay in making disclosure under Regulation 7(2)(b) of the PIT Regulations.

We further report that:
The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There were no changes in the composition of the Board of Directors that took place during the period under report.

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

None of the members had any dissenting views, in the matters / agenda proposed from time to time for consideration of the Board and its Committees thereof, during the year under the report, hence were not required to be captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

For **Rathi & Associates**
Company Secretaries

Himanshu S. Kamdar
Partner
FCS No.: 5171
CP No.: 3030

Date: 14th May, 2022
Place: Mumbai
UDIN: F005171D000317802

Note: This report should be read with our letter of even date which is annexed as Annexure and forms an integral part of this report.

ANNEXURE

To,
The Members,
Avenue Supermarts Limited
Anjaneya CHS limited, Orchard Avenue
Opp. Hiranandani Foundation School
Powai, Mumbai – 400 076

Our report of even date is to be read along with this letter.

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.

2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices that we followed provide a reasonable basis for our opinion.

3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.

5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.

6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For **Rathi & Associates**
Company Secretaries

Himanshu S. Kamdar
Partner
FCS No.: 5171
CP No.: 3030

Date: 14th May, 2022
Place: Mumbai
UDIN: F005171D000317802

ANNEXURE VI

DISCLOSURE PURSUANT TO SECTION 134(3)(m) OF THE COMPANIES ACT, 2013 READ WITH RULE 8 OF THE COMPANIES (ACCOUNTS), RULES 2014

(A) Conservation of energy

Steps taken or impact on conservation of energy	The operations of the Company are not energy intensive. However, in its efforts to conserve energy, adequate measures have been taken in the new and the pre-existing stores. Some of these initiatives are: **Green Building Certification** We strive to obtain Green Building Certification for our stores under Indian Green Building Council (IGBC) or US Green Building Council (USGBC). Green building refers to both a structure and the application of processes that are environmentally responsible and resource-efficient throughout a building's life cycle: from planning to design, construction, operation, maintenance, renovation and demolition. This year we have further obtained Gold Certified Green Building Certification for 53 additional buildings; taking our total to 152 buildings. This certification is issued by the Indian Green Building Council (IGBC) for 148 of our buildings and U.S Green Building Council (USGBC) for 4 of our buildings. We have thus far obtained 152 certifications in this regard (1 Platinum, 150 Gold, 1 Silver). Under this certification we have initiated the following measures in our operations for conservation of energy: ● Use of energy efficient LED lighting system for the existing and new stores. ● Use of CFC-Free Refrigerants in our Air Conditioning Equipment to reduce emission of greenhouse gases ● We use BEE Star rated split air conditioners which consume less energy in comparison to conventional air-Conditioners.
Steps taken by the Company for utilizing alternate sources of energy	We have installed solar panels on roof tops at existing and new stores. We have commissioned 145 plants with cumulative capacity of 17.4 MW, from these installations. Of the total energy requirement at these premises, 17.1% is met through Solar Energy.
Capital investment on energy conservation equipment	₹17.36 crore

(B) Technology absorption

Efforts made towards technology absorption	N.A
Benefits derived like product improvement, cost reduction, product development or import substitution	N.A
In case of imported technology (imported during the last three years reckoned from the beginning of the financial year):	
● Details of technology imported	N.A
● Year of import	N.A
● Whether the technology has been fully absorbed	N.A
● If not fully absorbed, areas where absorption has not taken place, and the reasons thereof	N.A
Expenditure incurred on Research and Development	Nil

(C) Foreign exchange earnings and outgo

(₹ in crore)

Particulars	FY 2021-22	FY 2020-21
Actual Foreign Exchange earnings	0.97	0.01
Actual Foreign Exchange outgo	633.38	440.45

CORPORATE GOVERNANCE REPORT

1. CORPORATE GOVERNANCE PHILOSOPHY

Corporate Governance is essentially the management of an organisation's activities in accordance with policies that are value-accretive for all stakeholders. At DMart (ASL), the Management strongly believes in fostering a governance philosophy that is committed to maintaining accountability, transparency and responsibility, which are integral to the Company's day-to-day operations.

In order to keep up the highest level of standards regarding Corporate Governance and Disclosures, the Management has instituted several committees that oversee various aspects of the organisation's administration. Formed in accordance with the Companies Act, 2013, and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as 'Listing Regulations') the Committees inspect and resolve issues that may arise from time to time within the Company.

A well-informed Board is an important facet of responsible behavior. On a regular basis, the Board members of the Company are apprised of all the vital issues that it comes across and the remedial actions taken in this regard. Through this robust Corporate Governance mechanism that interlinks values, ethics and positive culture, the Company aims to achieve long-term sustainability.

2. BOARD OF DIRECTORS

The Board of Directors of the Company comprises of seven Directors, of which three are Executive Directors, one Non-executive Non-Independent Woman Director and three Independent Directors (including a Woman Director). All members of the Board are eminent persons with considerable professional expertise and experience. The Board consists of a balanced combination of Executive Directors and Independent Directors in accordance with the requirements of the Companies Act, 2013; and the same is in compliance with the requirements of Regulation 17 of the Listing Regulations. The Chairman of the Company is an Independent Director.

The Company has in place a succession plan for the Board of Directors and Senior Management of the Company.

The details of other Directorships/Chairmanship and Membership of Committees held by Directors of the Company as on 31st March, 2022 are given below:

Name of Directors	Category	No. of Other Directorships and Committee Chairmanship(s) / Membership(s)			Particulars of Directorships in other Listed Entities	
		*Directorships	#Chairmanship	#Membership	Name of the Company	Category of Directorship
Mr. Ramesh Damani (DIN: 00304347)	Chairman, Non- Executive, Independent Director	2	1	1	1. Aptech Limited	Non-Executive, Independent Director
					2. VIP Industries Limited	Non-Executive, Independent Director
Mr. Chandrashekhar Bhave (DIN: 00059856)	Non-Executive, Independent Director	3	2	1	1. Mahindra & Mahindra Financial Services Limited	Non-Executive, Independent Director
					2. Tejas Networks Limited	Non-Executive, Independent Director
Ms. Kalpana Unadkat (DIN: 02490816)	Non-Executive, Independent Director	2	-	3	1. Eris Lifesciences Limited	Non-Executive Independent Director
Mrs. Manjri Chandak (DIN: 03503615)	Non-Executive, Non-Independent Director	3	1	-	-	-

Name of Directors	Category	No. of Other Directorships and Committee Chairmanship(s) / Membership(s)			Particulars of Directorships in other Listed Entities	
		*Directorships	#Chairmanship	#Membership	Name of the Company	Category of Directorship
Mr. Ignatius Navil Noronha (DIN: 01787989)	Executive Director	1	-	-	-	-
Mr. Ramakant Baheti (DIN: 00246480)	Executive Director	1	-	1	-	-
Mr. Elvin Machado (DIN: 07206710)	Executive Director	-	-	-	-	-

Note:

* The above list of other directorships includes Public Companies (listed and unlisted) but does not include Private Limited Companies, Foreign Companies and Companies under Section 8 of the Companies Act, 2013.

It includes Chairmanship or Membership of the Audit Committee and Stakeholders' Relationship Committee of Public Companies (listed and unlisted) only.

None of the Directors of the Company are related to each other.

None of the Directors on the Board serve as Director or Independent Director in more than seven listed companies. Further, there are no Directors on the Board of the Company, who serve as Whole-time Director/ Managing Director with any other listed company. No Director is a member of more than ten Committees or acts as the Chairman of more than five Committees across all companies in which he or she is a Director.

The Board of Directors is of the opinion that all Independent Directors of the Company fulfill the conditions of independence as prescribed under Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) and 25(8) of the Listing Regulations and hereby confirm that they are independent of the management.

Shareholding of Directors as on 31st March, 2022

Name of Directors	Category	No. of Equity Shares	% Shareholding
Mr. Ramesh Damani	Chairman, Non-Executive, Independent Director	100,000	0.02
Mr. Chandrashekhar Bhave	Non-Executive, Independent Director	0	0.00
Ms. Kalpana Unadkat	Non-Executive, Independent Director	0	0.00
Mrs. Manjri Chandak	Non-Executive, Non-Independent Director	0	0.00
Mr. Ignatius Navil Noronha	Executive Director	13,074,043	2.02
Mr. Ramakant Baheti	Executive Director	2,618,450	0.40
Mr. Elvin Machado	Executive Director	3,14,000	0.05

Board Meetings

The Board Meeting is conducted at least once in every quarter to discuss the performance of the Company and its Quarterly Financial Results, along with other matters of the Company. The Board also meets to consider other business(es), whenever required, from time to time. Agenda of the business(es) to be transacted at the Board Meeting along with explanatory notes thereto are drafted and circulated well in advance to the Board of Directors of the Company. The Company always ensures that Board members are presented with all the relevant information on vital matters affecting the working of the Company including the information as inter-alia specified under Part A of Schedule II of Regulation 17(7) of the Listing Regulations. Every Board Member is free to suggest the inclusion of any item on the agenda and hold due discussions thereto.

Five meetings were held during the year and the gap between two meetings did not exceed 120 days. The dates of the meetings were as follows:

08th May, 2021, 10th July, 2021, 16th October, 2021, 08th January, 2022 and 13th March, 2022. The Twenty First Annual General Meeting of the Shareholders of the Company was held on Tuesday, 17th August, 2021.

The attendance of each Director at the Board Meeting and the last Annual General Meeting is given under:

Names of Directors	Particulars of attendance for the Board Meetings		Attendance for last AGM held on 17th August, 2021
	Meetings held during the Director's tenure	Board Meetings attended	
Mr. Ramesh Damani	5	5	Yes
Mr. Chandrashekhar Bhave	5	5	Yes
Ms. Kalpana Unadkat	5	5	Yes
Mrs. Manjri Chandak	5	5	Yes
Mr. Ignatius Navil Noronha	5	5	Yes
Mr. Ramakant Baheti	5	5	Yes
Mr. Elvin Machado	5	5	Yes

Separate Meeting of Independent Directors

Pursuant to Schedule IV of the Companies Act, 2013 and as per Regulation 25(3) of the Listing Regulations, separate meeting of Independent Directors of the Company was held on Saturday, 08th January, 2022 to review the following:

i) The performance of non-independent directors and the Board of directors as a whole and its Committees thereof;

ii) The performance of the Chairperson, taking into account the views of executive directors and non-executive directors;

iii) To assess the quality, quantity and timeliness of flow of information between the management and the Board of Directors.

Familiarisation Programmes

At the time of appointment, the Independent Directors are made aware of their roles and responsibilities through a formal letter of appointment which stipulates various terms and conditions. At Board and Committee meetings, the Independent Directors are regularly being familiarized on the business model, strategies, operations, functions, policies and procedures of the Company and its subsidiaries. All Directors attend the familiarization programmes as these are scheduled to coincide with the Board meeting calendar.

The details of training programmes attended by the Independent Directors has been posted on the Company's website at the web link: http://www.dmartindia.com/investor-relationship

Matrix of skills / expertise/ competencies of the Board of Directors

The Board of the Company comprises qualified members with the required skills, competence and expertise for effective contribution to the Board and its Committee. The Board members are committed to ensure that the Company is in compliance with the highest standards of Corporate Governance.

The table below summarizes the list of core skills/ expertise/ competencies identified by the Board of Directors for effectively conducting the business of the Company and are available with the Board. The table also mentions the specific areas of expertise of individual Director against each skill/ expertise/ competence:

Core skills/ expertise/ competencies	Name of Director
Operations	
• Store Operations	Mr. Ignatius Navil Noronha
	Mrs. Manjri Chandak
	Mr. Elvin Machado
• Human Resources	Mr. Ignatius Navil Noronha
	Mrs. Manjri Chandak
	Mr. Elvin Machado
• Supply Chain	Mr. Ignatius Navil Noronha
	Mrs. Manjri Chandak
	Mr. Elvin Machado
Finance	Mr. Chandrashekhar Bhave
	Mr. Ramesh Damani
	Mr. Ramakant Baheti
	Mrs. Manjri Chandak
Legal	Mr. Chandrashekhar Bhave
	Ms. Kalpana Unadkat
	Mr. Ramakant Baheti
Compliance/ Corporate Governance	Mr. Chandrashekhar Bhave
	Ms. Kalpana Unadkat
	Mr. Ignatius Navil Noronha
	Mr. Ramakant Baheti
Business Development	Mr. Ignatius Navil Noronha
	Mr. Ramakant Baheti
	Mr. Elvin Machado
Information Technology	Mr. Chandrashekhar Bhave
	Mr. Ramesh Damani
	Mr. Ignatius Navil Noronha

Committees of the Board of Directors

In compliance with the requirements of the Companies Act, 2013 and the Listing Regulations, the Board of Directors has constituted various Committees. These Committees are entrusted with such powers and functions as detailed in their respective terms of reference. Besides, the Committees help focus attention on specific matters of the organisation.

There are total 7 Committees as on 31st March, 2022; out of which 5 are statutory committees and 2 are other committees considering the need of best practice in Corporate Governance of the Company.

Committees as mandated under the Companies Act, 2013 and the Listing Regulations

1.	Audit Committee
2.	Stakeholders' Relationship Committee
3.	Nomination and Remuneration Committee
4.	Corporate Social Responsibility Committee
5.	Risk Management Committee
Other Committees	
6.	Operations Committee
7.	ESOP Committee

3. AUDIT COMMITTEE

The Audit Committee of the Company is duly constituted as per Regulation 18 of the Listing Regulations, read with the provisions of Section 177 of the Companies Act, 2013. All the Members of the Audit Committee are financially literate and capable of analysing Financial Statements of the Company.

Mr. Chandrashekhar Bhave is the Chairman of the Audit Committee. The Statutory Auditors are invited to Audit Committee Meetings.

The Committee members invite the Internal Auditor or any other concerned officer of the Company in the meetings, whenever required on case-to-case basis.

The Audit Committee acts as a link between the Management, Statutory Auditors, Internal Auditor and the Board of Directors and oversees the financial reporting process. The Company Secretary acts as the Secretary of the Audit Committee.

Terms of Reference of the Audit Committee are as follows:

a) Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;

b) Recommendation for appointment, re-appointment and replacement, remuneration and terms of appointment of auditors of the Company;

c) Approval of payment to statutory auditors for any other services rendered by the statutory auditors;

d) Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:

   i. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013;

   ii. Changes, if any, in accounting policies and practices and reasons for the same;

   iii. Major accounting entries involving estimates based on the exercise of judgment by management;

   iv. Significant adjustments made in the financial statements arising out of audit findings;

   v. Compliance with listing and other legal requirements relating to financial statements;

   vi. Disclosure of any related party transactions; and

   vii. Modified opinion(s) in the draft audit report.

e) Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;

f) Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;

g) Review and monitor the auditor's independence and performance, and effectiveness of audit process;

h) Approval or any subsequent modification of transactions of the Company with related parties;

i) Scrutiny of inter-corporate loans and investments;

j) Valuation of undertakings or assets of the Company, wherever it is necessary;

k) Evaluation of internal financial controls and risk management systems;

l) Monitoring the end use of funds raised through public offers and related matters;

m) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;

n) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;

o) Discussion with internal auditors of any significant findings and follow up thereon;

p) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;

q) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;

r) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

s) To establish and review the functioning of the whistle blower mechanism;

t) Approval of appointment of Chief Financial Officer (i.e. the whole-time finance director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience, and background, etc. of the candidate;

u) Carrying out any other terms of reference as may be decided by the Board or specified/ provided under the Companies Act, 2013 or the SEBI Listing Regulations or by any other regulatory authority;

v) Review of (1) management discussion and analysis of financial condition and results of operations; (2) statement of significant related party transactions (as defined by the audit committee), submitted by management; (3) management letters / letters of internal control weaknesses issued by the statutory auditors; (4) internal audit reports relating to internal control weaknesses; (5) the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee; (6) statement of deviations including (a) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of the SEBI Listing Regulations; (b) annual statement of funds utilised for purposes other than those stated in the offer document/prospectus/ notice in terms of Regulation 32(7) of the SEBI Listing Regulations;

w) Reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding ₹100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision and

x) Review the compliance of the provision of Regulation 9A of the SEBI (Prohibition of Insider Trading) Regulations, 2015 at least once in a financial year and verify that the systems for internal controls are adequate and operating sufficiently and forward the said report with the comments / observations to the Board of Directors of the Company.

Audit Committee Meetings

During FY 2021-22, Five Audit Committee meetings were held. The meetings were held on 08th May, 2021, 10th July, 2021, 16th October, 2021, 08th January, 2022 and 13th March, 2022.The details of composition of Audit Committee and attendance of each Committee Member are as follows:

Name of the Members	Designation in the Committee	Particulars of attendance	
		No. of meetings held during the Member's tenure	No. of meetings attended by the Member
Mr. Chandrashekhar Bhave	Chairman	5	5
Mr. Ramesh Damani	Member	5	5
Ms. Kalpana Unadkat	Member	5	5
Mrs. Manjri Chandak	Member	5	5

4. NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee is constituted in compliance with the requirements of Regulation 19 of the Listing Regulations read with the provisions of Section 178 of the Companies Act, 2013. The Nomination and Remuneration Committee recommends the nomination of Directors, and carries out evaluation of performance of individual Directors. Besides, it recommends remuneration policy for Directors, Key Managerial Personnel and the Senior Management of the Company.

Terms of reference of the Nomination and Remuneration Committee are as follows:

a) Formulate the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy relating to the remuneration of Directors, Key Managerial Personnel and other employees;

b) Formulate the criteria for evaluation of performance of Independent Directors and the Board of Directors;

c) Identify persons who are qualified to become Directors and persons who may be appointed in Key Managerial and Senior Management positions in accordance with the criteria laid down in this policy;

d) Recommend to the Board, appointment and removal of Director, KMP and Senior Management Personnel;

e) Devise a policy on diversity of Board of Directors;

f) Whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors; and

g) Recommend to the Board, all remuneration, in whatever form, payable to senior management.

Nomination and Remuneration Committee Meetings

During the financial year under review, three meetings of the Nomination and Remuneration Committee were held. The meetings were held on 08th May, 2021, 10th July, 2021 and 08th January, 2022. The composition and attendance of each Committee Member is as under:

Name of the Members	Designation in the Committee	Particulars of attendance	
		No. of meetings held during the Member's tenure	No. of meetings attended by the Member
Mr. Chandrashekhar Bhave	Chairman	3	3
Mr. Ramesh Damani	Member	3	3
Mrs. Manjri Chandak	Member	3	3

Performance Evaluation Criteria for Independent Directors

The Board of Directors of the Company carried out an annual evaluation of its own performance, of committees, of the Board and individual directors pursuant to the provisions of the Companies Act, 2013 and the Listing Regulations. The performance evaluation is conducted through structured questionnaires which cover various aspects such as the Board composition and structure, effectiveness and contribution to Board processes, adequacy, appropriateness and timeliness of information and the overall functioning of the Board etc. The Individual Director's response to the questionnaire on the performance of the Board, Committee(s), Directors and Chairman, were analyzed. The Directors were satisfied with the evaluation process and have expressed their satisfaction with the evaluation process.

In compliance with Regulation 19 read with Part D of Schedule II of the Listing Regulations, the Board of Directors has formulated criteria for evaluation of the Company's Independent Directors' performance. The performance evaluation of Independent Directors is carried out on the basis of their role and responsibilities, effective participation in the Board and Committee meetings, expertise, skills and exercise of independent judgment in major decisions of the Company.

5. REMUNERATION OF DIRECTORS

a) Criteria of making payments to Non-Executive Directors

Sitting Fees

The Non-executive Directors are entitled to sitting fees for attending the meetings of the Board of Directors and Committees thereof. Sitting fees paid to non-executive Directors is within the prescribed limits under the Companies Act, 2013 and as determined by the Board of Directors from time to time.

Commission

Independent Directors are entitled to remuneration by way of commission in addition to sitting fees for attending meetings of the Board or Committees thereof. The Company pays commission to Independent Directors within the ceiling of one percent of the net profits of the Company as computed under the applicable provisions of the Companies Act, 2013 with the approval of the shareholders of the Company. The said commission is decided by the Board of Directors, on recommendation of the Nomination and Remuneration Committee based on the Board evaluation process, considering criteria such as their attendance and contribution at the Board and Committee meetings.

Further, shareholders of the Company at their Annual General Meeting held on 17th August, 2021 approved payment of commission to Independent Directors on an annual basis not exceeding one percent of the net profits of the Company per annum computed in the manner prescribed under section 198 of the Companies Act, 2013, in such amount and proportion and in such manner as may be determined by the Board of Directors from time to time, in addition to the sitting fees for a period of five years commencing from 01st April, 2022.

Reimbursement of expenses

The non-executive directors are also entitled to reimbursement of expenses for participation in the Board and other meetings in terms of the Companies Act, 2013.

The details of sitting fees and commission for the FY 2021-22 are as under:

(Amount in ₹)

Names of Non-Executive Directors	Sitting Fees	Commission
Mr. Ramesh Damani	700,000	29,00,000
Mr. Chandrashekhar Bhave	640,000	29,00,000
Ms. Kalpana Unadkat	570,000	29,00,000
Mrs. Manjri Chandak	730,000	-

During the year, there was no pecuniary relationship or transaction between the Company and any of its Non-Executive Directors apart from sitting fees and commission. The Company has not granted any stock options to any of its Non-Executive Directors.

b) Managing Director & Whole-time Director

The Company has paid remuneration to its Managing Director and Whole-time Directors, by way of salary and perquisites, within the limits stipulated under the Companies Act, 2013 and as per the approval sought from the shareholders of the Company.

Details of the remuneration paid to the Executive Directors of the Company during the FY 2021-22 are as follows:

Name	Designation	Basic Salary	Company's contribution to provident fund	Perquisites	Variable	Gross Remuneration
Mr. Ignatius Navil Noronha	Managing Director & CEO	44,767,836	749,997	18,000	-	45,535,833
Mr. Ramakant Baheti	Whole-time Director & Group CFO	10,038,000	390,960		-	10,428,960
Mr. Elvin Machado	Whole-time Director	7,423,356	356,316	-	1,200,000	8,979,672

The performance criteria of the above-mentioned Directors are laid down by the Nomination and Remuneration Committee in accordance with the Nomination and Remuneration Policy of the Company.

Service Contract, Severance Fees and Notice Period

Mr. Ignatius Navil Noronha was re-appointed as Managing Director of the Company for a period of five years from 1st February, 2021 upto 31st January, 2026.

Mr. Ramakant Baheti was re-appointed as a Whole-time Director of the Company for a period of five years from 1st May, 2019 upto 30th April, 2024.

Mr. Elvin Machado was re-appointed as a Whole-time Director of the Company, for a term of three years from 10th June, 2021 upto 9th June, 2024.

There is no separate provision for payment of any severance fees for the Managing Director or either of the Whole-time Directors. However, there is a provision of a notice period of six months from either side for all three of them.

Employee Stock Options

Details of Stock options granted to the Executive Directors under the Employee Stock Option Scheme, 2016 of the Company are as under:

Name of Directors	Category	Date of grant	Options granted	Options vested and exercised	Grant price per equity share (₹)	Vesting period	Exercise period
Mr. Ignatius Navil Noronha	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Mr. Ramakant Baheti	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Mr. Elvin Machado	Class A Options	14.03.2017	60,000	NA	₹299	9 years	3 months from the date of vesting or such other period as may be determined by the ESOP Committee
	Class B Options		45,000	NA	₹299	6 years	
	Class C Options		15,000	12,000	₹299	2.5 years	

6. STAKEHOLDERS' RELATIONSHIP COMMITTEE

The Stakeholders' Relationship Committee of the Board was constituted in compliance with the provisions of Section 178 of the Companies Act, 2013 and Regulation 20 of the Listing Regulations. This Committee deals with stakeholder relations and grievances raised by the investors in a timely and effective manner and to the satisfaction of investors. The Committee oversees performance of the Registrar and Share Transfer Agents of the Company relating to investor services and recommends measures for improvement.

Mrs. Manjri Chandak, Non-executive Director is the Chairperson of the Committee and Mrs. Ashu Gupta, Company Secretary is the Compliance Officer of the Company pursuant to Regulation 6 of the Listing Regulations.

Terms of reference of the Stakeholders' Relationship Committee are as follows:

a) Investor relations and redressal of grievances of security holders of the Company in general and relating to non-receipt of dividends, interest, non-receipt of balance sheet etc;

b) Approve requests for security transfers and transmission and those pertaining to rematerialisation of securities / subdivision/ consolidation of shares, issue of renewed and duplicate share/debenture certificates etc;

c) Resolving the grievances of the shareholders of the Company, including complaints related to transfer of shares, non-receipt of annual report and non-receipt of declared dividends, general meetings, etc;

d) Review of measures taken for effective exercise of voting rights by shareholders;

e) Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent;

f) Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company and

g) Such other matters as may from time to time be required by any statutory, contractual or other regulatory requirements to be attended to by such Committee.

Stakeholders Relationship Committee Meetings

During the year ended 31st March, 2022, Six meetings of Stakeholders Relationship Committee were held i.e. on 07th April, 2021, 07th July, 2021, 02nd August, 2021, 18th August, 2021, 12th October, 2021 and 06th January, 2022. The Company Secretary of the Company acts as Secretary to the Committee. The composition and attendance of each Member is as follows:

Name of the Members	Designation in the Committee	Particulars of attendance	
		No. of meetings held during the Member's tenure	No. of meetings attended by the Member
Mrs. Manjri Chandak	Chairperson	6	6
Mr. Ramesh Damani	Member	6	6
Mr. Ramakant Baheti	Member	6	6

Investor Complaints

The details of investor complaints received / redressed during the FY 2021-22 is as under:

Complaints as on 01st April, 2021	Received during the year	Resolved during the year	Pending as on 31st March, 2022
0	2	2	0

7. CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

The Corporate Social Responsibility (CSR) Committee of the Board was constituted in compliance with the provisions of Section 135 of the Companies Act, 2013.

Terms of reference of the CSR Committee are as follows:

a) To formulate CSR Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Act and recommend same to the Board;

b) To recommend the amount of expenditure to be incurred on CSR activities;

c) To recommend annual action plan to Board of Directors of the Company in pursuance to the CSR policy and any modification as may be required;

d) To implement and monitor the CSR activities of the Company, which shall be in compliance with CSR objectives and Policy of the Company;

e) To provide a report on CSR activities to the Board of the Company periodically;

f) To undertake impact assessment, if required through an independent agency as per the requirements of Companies Act, 2013 and CSR rules made thereunder;

g) To monitor and review the CSR Policy of the Company from time to time; and

h) To ensure the compliance of Section 135 read with Schedule VII of Companies Act, 2013 and Companies (Corporate Social Responsibility Policy) Rules, 2014 and subsequent amendments thereto.

Corporate Social Responsibility Committee Meetings

The Corporate Social Responsibility Committee met Five times during the year ended 31st March, 2022 on 08th May, 2021, 10th July, 2021, 16th October, 2021, 08th January, 2022 and 13th March, 2022. The composition and attendance of each Committee Member is as under:

Name of the Members	Designation in the Committee	Particulars of attendance	
		No. of meetings held during the Member's tenure	No. of meetings attended by the Member
Mr. Chandrashekhar Bhave	Chairman	5	5
Mr. Ramesh Damani	Member	5	5
Mrs. Manjri Chandak	Member	5	5
Mr. Ramakant Baheti	Member	5	5

8. RISK MANAGEMENT COMMITTEE

The Risk Management Committee of the Board was constituted in compliance with the provisions of Regulation 21 of the Listing Regulations.

Terms of reference of the Risk Management Committee are as follows:

a) To assist the Board in execution of its responsibility for the governance and to assist the Board in setting risk strategy policies, including annually agreeing risk tolerance and appetite levels, in liaison with the Management;

b) To review, assess the quality, integrity and effectiveness of the risk management plan and systems and ensure that the risk policies and strategies are effectively managed by management and that risks taken are within the agreed tolerance and appetite levels;

c) To ensure that the Company has implemented an effective ongoing process to identify risk, to measure its potential impact against a broad set of assumptions and then to activate what is necessary to pro-actively manage these risks. A framework and process to anticipate unpredictable risks should also be implemented;

d) To oversee formal reviews of activities associated with the effectiveness of risk management and internal control processes. A comprehensive system of control should be established to ensure that risks are mitigated and that the Company's objectives are attained;

e) To review processes and procedures to ensure the effectiveness of internal systems of control, so that decision-making capability and accuracy of reporting and financial results are always maintained at an optimal level;

f) To provide an independent and objective oversight and view of the information presented by management on corporate accountability and specifically associated risk, also taking account of reports by management and the Audit Committee to the Board on all categories of identified risks facing the Company;

g) To assist the Board in its responsibility for disclosure in relation to risk management in the annual report, and acknowledgement that it is accountable for the risk management function; and

h) To review the risk bearing capacity of the Company in light of its reserves, insurance coverage, guarantee funds or other such financial structures.

It was determined by the Board that Risk Management Committee shall meet twice a year. Additional meetings may be convened at the request of any one of the committee members. However, the meetings are to be scheduled as such that they are held before the meetings of the Board, for effective reporting. Moreover, the Chairman of the Risk Management Committee shall report from time to time to the Board on the deliberations of the Committee.

Risk Management Committee Meetings

During the financial year under review, three meetings of the Risk Management Committee were held on 18th May, 2021, 11th November, 2021 and 07th March, 2022.The composition and attendance of each Committee Member is as under:

Name of the Members	Designation in the Committee	Particulars of attendance	
		No. of meetings held during the Member's tenure	No. of meetings attended by the Member
Mr. Ignatius Navil Noronha	Chairman	3	3
Mr. Ramakant Baheti	Member	3	3
Mrs. Manjri Chandak	Member	3	3
Ms. Kalpana Unadkat*	Member	2	2
Mr. Ashutosh Dhar	Member	3	3
Mr. Vikram Bhatia	Member	3	3

*Ms. Kalpana Unadkat was appointed as member of Risk Management Committee w.e.f. 10th July, 2021.

9. OPERATIONS COMMITTEE

Terms of reference of the Operations Committee are as follows:

a) To borrow loans for operations of the Company up to the maximum limit of ₹1,800 crore in a financial year;

b) To authorize such persons including Directors to approach Banks / Financial Institutions and others to avail loans/ credit facilities from time to time for operation of the Company and to negotiate and finalize the terms and conditions thereof and to authorize any of the Officials of the Company to execute necessary documents to avail the facilities from time to time;

c) To authorize such Officials of the Company to open bank accounts on behalf of the Company with any nationalized / scheduled / foreign banks and authorize any Officers with respect to signing and honoring of cheques and executing such papers and documents as maybe required from time to time and further to authorize any Officer to change the authorized signatories and/or close such bank accounts as maybe deemed fit from time to time;

d) To authorize such Officials of the Company to operate the loan accounts and the bank account of the Company as maybe deemed fit from time to time;

e) To invest the idle funds of the Company in various securities of any corporate, government securities, mutual funds and such other instruments and/ or to provide corporate guarantee or securities with respect to the loans granted by the Company;

f) To avail / authorize such persons including Directors to approach Banks for the facility or merchant establishment services from time to time for efficient working of the Company;

g) To allot securities of the Company as maybe approved by the Board from time to time;

h) To appoint Debenture Trustees with respect to issue of debentures by the Company and in accordance with the applicable SEBI Regulations;

i) To issue commercial Paper within the overall limits as approved by the Board of Directors from time to time for meeting the working capital requirements of the Company with maturity of not more than one year;

j) To authorize such Officials of the Company to attend / appear before courts and other forums, tribunals, judicial, quasi-judicial authority / to declare, sign Vakalatnama, affirm and file written statements, replies, affidavits, applications, to file and exhibit the documents to lead the evidences on behalf of the Company in matters related to the Company;

k) To authorize such Officials of the Company to acquire properties on behalf of the Company on lease or otherwise as required in the ordinary course of business of the Company and / or to give premises on lease as maybe deemed fit by the Board from time to time and to sign, execute, negotiate and deliver all such documents, papers, agreements, applications, affidavits with respect to the same;

l) To authorize such Officials of the Company including Directors to execute and sign various agreements for installation of Solar Power plants for various premises / stores of the Company;

m) To determine the amount of political contribution to be given in accordance with the framework adopted by the Board of Directors of the Company;

n) To authorize any Officer of the Company to make donations to charitable and bona fide institutions, funds and trusts as maybe deemed fit from time to time;

o) To grant authority to attend and vote at the general body meetings / postal ballots either in person or through e-voting in the body corporate where the Company had invested in its securities and to appoint any proxy for the same; and

p) To do or to authorize any Officers of the Company including the Directors to do any such acts, deeds, things and matters pertaining to day-to-day operations / routine functioning of the Company or to do such acts, deeds, things and matters specifically authorized by the Board of Directors of the Company from time to time.

The Operations Committee comprises of:

Name of the Members	Designation in the Committee
Mr. Ramakant Baheti	Chairman
Mr. Ignatius Navil Noronha	Member
Mr. Elvin Machado	Member

10. EMPLOYEE STOCK OPTION (ESOP) COMMITTEE

Terms of reference of the ESOP Committee are as follows:

a) To evolve, decide upon and bring into effect the ESOP Scheme as may be approved by the Board and shareholders of the Company from time to time (the "Scheme");

b) Determine the detailed terms and conditions of the Scheme, including but not limited to the quantum of the options to be granted under the Scheme (the Options), quantum of the Options to be granted per employee, the exercise period, the vesting period, instances where such options shall lapse and to grant such number of options, to such employees of the Company and other entities as approved, pursuant to which equity shares shall be issued at the fair market value, at such time and on such terms and conditions as set out in the Scheme and as the ESOP Committee may in its absolute discretion think fit and make any modifications, changes, variations, alterations or revisions in the Scheme from time to time or to suspend, withdraw or revive the Scheme from time to time as may be specified by any statutory authority and to do all such acts, deeds, matters and things as it may in its absolute discretion deem fit or necessary or desirable for such purpose and with power on behalf of the Company;

c) Frame suitable policies and procedures to ensure that there is no violation of securities laws, including the SEBI ESOP Regulations or the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices Relating to the Securities Market) Regulations, 2003, as amended from time to time, by the Company and its employees, as applicable;

d) To settle any questions, difficulties or doubts that may arise in this regard without requiring the Board to secure any further consent or approval of the members of the Company; and

e) To take any other action as may be considered necessary by the ESOP Committee for the purposes of giving effect to the Scheme.

The ESOP Committee comprises of:

Name of the Members	Designation in the Committee
Mr. Ramesh Damani	Chairman
Mr. Chandrashekhar Bhave	Member
Mrs. Manjri Chandak	Member

11. GENERAL BODY MEETINGS

Annual General Meetings

The details of Annual General Meetings convened during the last three years are as follows:

For Financial Year	Date and Time	Venue	Special Resolutions
2020-21	Tuesday, 17th August, 2021 at 11:00 A.M.	Through Video Conferencing (VC or other audio visual means (OVAM))	Nil
2019-20	Tuesday, 01st September, 2020 at 11:00 A.M.	Through Video Conferencing (VC or other audio visual means (OVAM))	Re-appointment of Mr. Chandrashekhar Bhave as Independent Director of the Company for a second consecutive term of five years w.e.f. 17th May, 2021.
2018-19	Tuesday, 20th August, 2019 at 11:00 A.M.	Nehru Centre Auditorium, Discovery of India Building, Ground Floor, Dr. Annie Besant Road, Worli, Mumbai- 400 018	• To offer and issue secured, rated, cumulative, redeemable, non-convertible debentures aggregating upto ₹1,500 crore on private placement basis. • To issue 25,000,000 equity shares through Qualified Institutions Placement. • To ratify Avenue Supermarts Limited Employee Stock Option Scheme 2016 (the “ESOP Scheme”). • To ratify Employee Stock Options granted to the employees of the Subsidiary Company(ies) under Avenue Supermarts Limited Employee Stock Option Scheme 2016.

Extraordinary General Meetings

No Extraordinary General Meetings of members were convened during the last three financial years.

Details of resolutions passed through Postal Ballot

As per Section 110 of the Companies Act, 2013 read with Rule 22 of the Companies (Management and Administration) Rules, 2014, during the year under review, no resolutions were passed by members of the Company through Postal Ballot.

12. MEANS OF COMMUNICATION

Quarterly Results	The Company communicates to the Stock Exchanges about the quarterly financial results within 30 minutes from the conclusion of the Board Meeting in which the same is approved. The results are usually published in (Economic Times) English newspaper having country-wide circulation and in (Maharashtra Times) Marathi newspaper where the registered office of the Company is situated. These results are also placed on the Company’s website http://www.dmartindia.com
Website	All the information and disclosures required to be disseminated as per Regulation 46(2) of the Listing Regulations and Companies Act, 2013 are being posted at Company’s website: http://www.dmartindia.com
	The official news releases and presentations to the institutional investors or analysts, if made any are disseminated to the Stock Exchange at www.nseindia.com and www.bseindia.com and the same is also uploaded on the website of the Company www.dmartindia.com
Designated E-mail address for investor services	To serve the investors better and as required under Listing regulations, the designated e-mail address for investors complaints is investorrelations@dmartindia.com

13. GENERAL SHAREHOLDER INFORMATION

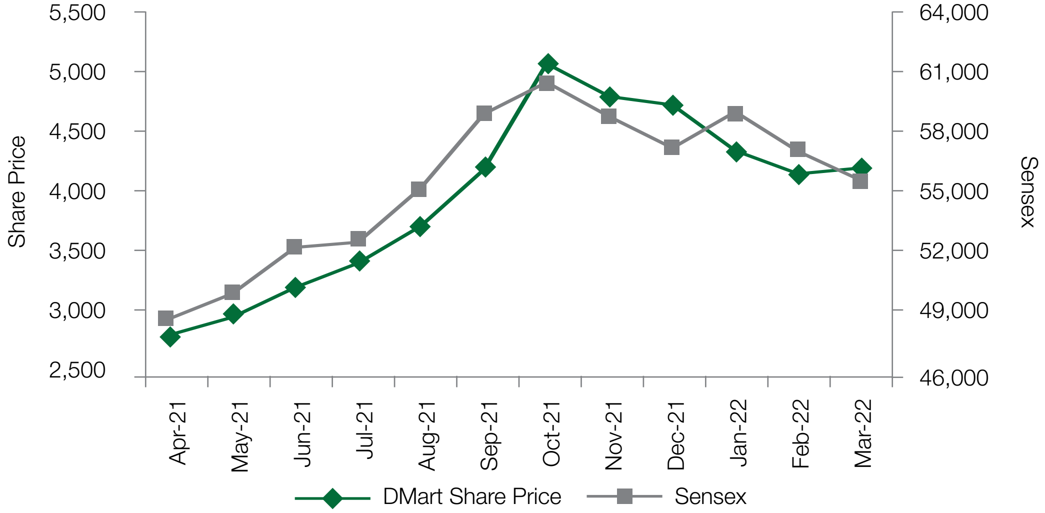
AGM date, time and venue	Wednesday, 17th August, 2022, 11:00 a.m. by way of video conferencing/ other audio visual means
Financial Year	April to March
Dividend Payment Date	NA
Registered Office	Anjaneya CHS Limited, Orchard Avenue, Opp. Hiranandani Foundation School, Powai, Mumbai - 400 076
Corporate Office	B–72/72A, Wagle Industrial Estate, Road No. 33, Kamgar Hospital Road, Thane - 400 604
Name and Address of Stock Exchanges where Company's securities are listed	ISIN: INE192R01011 **National Stock Exchange of India Limited** Exchange Plaza, C-1, Block G, Bandra-Kurla Complex, Bandra (East), Mumbai - 400 051 Trading Symbol – DMARTEQ **BSE Limited** Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001 Scrip Code: 540376
Listing fees	The Annual Listing fees for the financial year 2022-23 have been paid to the respective Stock Exchanges.
Share Registrar and Transfer Agents	**Link Intime India Private Limited** C 101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai – 400083, Maharashtra, India Tel No.: +91-22-4918 6270 Fax No.: +91-22-4918 6060 Investor query registration: rnt.helpdesk@linkintime.co.in
Company Secretary & Compliance officer	Mrs. Ashu Gupta

Market Price Data

The high and low prices and volumes of your Company's shares at BSE for the financial year 2021-22 are as under:

Month	BSE		SENSEX		No. of shares
(2021-22)	High	Low	High	Low	transacted
April 2021	2,986.90	2,677.00	50,375.77	47,204.50	6,40,389
May 2021	3,135.00	2,820.80	52,013.22	48,028.07	4,69,328
June 2021	3,408.00	3,033.00	53,126.73	51,450.58	5,41,477
July 2021	3,535.00	3,305.20	53,290.81	51,802.73	4,52,414
August 2021	3,979.15	3,467.15	57,625.26	52,804.08	10,11,950
September 2021	4,495.00	3,875.10	60,412.32	57,263.90	6,38,626
October 2021	5,899.90	4,205.00	62,245.43	58,551.14	18,79,799
November 2021	5,178.55	4,385.75	61,036.56	56,382.93	7,34,278
December 2021	4,875.20	4,553.60	59,203.37	55,132.68	5,60,609
January 2022	4,799.00	3,881.05	61,475.15	56,409.63	10,80,098
February 2022	4,351.00	3,951.00	59,618.51	54,383.20	5,57,544
March 2022	4,447.55	3,948.00	58,890.92	52,260.82	9,55,234

Avenue Supermarts Price Movement Chart—BSE



The high and low prices and volumes of your Company's shares at NSE for the FY 2021-22 are as under:

Month (2021-22)	NSE High	NSE Low	NIFTY High	NIFTY Low	No. of Shares transacted
April 2021	2,988.00	2,676.40	15,044.35	14,151.40	84,01,586
May 2021	3,135.00	2,822.90	15,606.35	14,416.25	76,58,414
June 2021	3,408.45	3,030.80	15,915.65	15,450.90	81,00,271
July 2021	3,533.40	3,300.00	15,962.25	15,513.45	56,53,728
August 2021	3,979.75	3,465.00	17,153.50	15,834.65	49,39,520
September 2021	4,500.00	3,875.10	17,947.65	17,055.05	70,85,995
October 2021	5,900.00	4,205.00	18,604.45	17,452.90	2,09,58,715
November 2021	5,180.00	4,455.00	18,210.15	16,782.40	99,05,452
December 2021	4,878.40	4,552.25	17,639.50	16,410.20	73,61,990
January 2022	4,799.00	3,881.25	18,350.95	16,836.80	1,50,86,208
February 2022	4,355.00	3,947.85	17,794.60	16,203.25	80,04,261
March 2022	4,446.95	3,945.00	17,559.80	15,671.45	95,62,286

Avenue Supermarts Price Movement Chart – NSE

Share Transfer System

In terms of Listing Regulations, equity shares of the Company can only be transferred in dematerialized form including transmission or transposition of shares held in physical. Requests for dematerialisation of shares are processed and confirmation thereof is given to the respective depositories i.e. National Securities Depository Limited (NSDL) and Central Depository Services India Limited (CDSL), within the statutory time limit.

While SEBI has clarified that shareholders are not prohibited from holding the shares in physical form, shareholders holding shares in physical form are requested to consider dematerialisation of their shares.

Shareholding pattern of the Company as on 31st March, 2022

Category of Shareholders	No. of shares	% of Total Shares
A. PROMOTERS	485,747,156	74.99
B. PUBLIC SHAREHOLDING		
Central Government	840	0.00
Mutual Funds	40,483,871	6.25
Banks	152,410	0.02
Insurance Companies	2,889,741	0.45
Foreign Portfolio Investor	57,173,888	8.83
Alternate Investment Funds	329,718	0.05
Individuals	56,492,187	8.72
NBFCs	3,227	0.00
Trust	14,626	0.00
Hindu Undivided Family	658,777	0.10
Non Resident Indians	823,758	0.13
Foreign Portfolio Investor (Individual)	389	0.00
Clearing Member	240,173	0.04
Bodies Corporate	1,975,892	0.31
Body Corporate - Ltd Liability Partnership	220,984	0.03
Overseas Corporate Bodies	12	0.00
Non Institution Any Other – NPS Trust	567,042	0.09
Total(A+B)	**647,774,691**	**100.00**

Distribution of Shareholding

Distribution of shareholding of shares of your Company as on 31st March, 2022 is as follows:

No. of Equity Shares Held	No. of Shareholders	% of Total Shareholders	Total Shares for the Range	% of Issued Capital
1-500	759,795	99.19	16,234,230	2.51
501-1000	2,739	0.36	1,972,855	0.30
1001-2000	1,221	0.16	1,730,140	0.27
2001-3000	469	0.06	1,162,624	0.18
3001-4000	247	0.03	861,354	0.13
4001-5000	195	0.03	897,777	0.14
5001-10000	422	0.06	3,149,977	0.49
10001 and above	930	0.12	621,765,734	95.98
Total	**766,018**	**100.00**	**647,774,691**	**100.00**

Dematerialisation of Shares and Liquidity

The Company has established connectivity with Central Depository Services (India) Limited (CDSL) and National Securities Depository Limited (NSDL) for dematerialisation of shares and the same are available in electronic segment under ISIN: INE192R01011. Equity Shares representing 98.07% of the Company's Share Capital are dematerialised as on 31st March, 2022.

The shares of the Company are regularly traded at both the Stock Exchanges where they are listed, which ensures the necessary liquidity to shareholders.

Physical and Dematerialised Shares as on 31st March, 2022	Shares	% of Total Issued Capital
No. of Shares held in dematerialised form in CDSL	500,418,385	77.25
No. of Shares held in dematerialised form in NSDL	134,862,316	20.82
No. of Physical Shares	12,493,990	1.93
Total	**64,77,74,691**	**100.00**

Outstanding GDRs/ ADRs/ Warrants or any Convertible Instruments, conversion date and likely impact on equity

There are no GDR/ ADR/ Warrants or any Convertible Instruments pending conversion or any other instruments likely to impact the equity share capital of the Company.

Commodity price risk or foreign exchange risk and hedging activities

The Company has taken suitable steps from time to time for protecting it against foreign exchange risk(s). The Company does not enter into hedging activities.

As such, the Company is not exposed to any commodity price risk, and hence the disclosure under Clause 9(n) of Part C of Schedule V in terms of the format prescribed vide SEBI Circular, dated 15th November, 2018, is not required.

Plant Location

The Company has multiple stores in 10 states, 1 Union Territory of India and NCR, including Maharashtra, Gujarat, Telangana, Andhra Pradesh, Karnataka, Madhya Pradesh, Chhattisgarh, Tamil Nadu, Rajasthan, Punjab, Daman, Delhi, Faridabad, Noida and Gurgaon.

Address for Correspondence

A. Company's Registrar and Share Transfer Agent:
Link Intime India Private Limited
C 101, 247 Park,
L. B. S. Marg, Vikhroli (West),
Mumbai – 400 083,
Maharashtra, India
Tel No.: +91-22-4918 6270
Fax No.: +91-22-4918 6060
Investor query registration: rnt.helpdesk@linkintime.co.in

B. Registered Office
Anjaneya CHS Limited, Orchard Avenue,
Opp. Hiranandani Foundation School, Powai,
Mumbai - 400 076
Tel No.: 022 40496500

C. Corporate Office
B–72/72A, Wagle Industrial Estate,
Road No. 33, Kamgar Hospital Road,
Thane - 400 604
Tel No.: 022 33400500 / 022 71230500
Website: www.dmartindia.com,
Email: investorrelations@dmartindia.com

14. DISCLOSURES

A. Disclosures on Materially Significant Related Party Transactions that may have potential conflict with the interests of the Company

During the year, the Company did not enter into any contract/ arrangement / transaction with related parties, which could be considered material in accordance with the policy of the Company on materiality of related party transactions. None of the transactions with any of related parties were in conflict with the Company's interest.

B. Details of Non-Compliance by the Company, Penalties, Strictures imposed on the Company by Stock Exchange(s) or the Board or any Statutory Authority, on any matter related to Capital Markets, during the last three years

SEBI vide adjudication order dated 31st July, 2020 imposed a penalty of ₹3,00,000/- on the Company under the provisions of Section 15A(b) of the SEBI Act, 1992 for violation of Regulation 7(2)(b) of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 on account of delay by an employee in disclosing trade in Company's shares executed by him on 3rd April, 2018 ("Relevant Trade") on the basis that the Company had become aware of the relevant trade on receipt of weekly Beneficiary Position Report ("BENPOS") from Link Intime India Pvt. Ltd., Registrar and Share Transfer Agent of the Company.

An appeal was filed by the Company against the said adjudication order with Securities Appellate Tribunal (SAT) on 12th September, 2020. The matter has been concluded vide order dated 17th January, 2022 whereby Hon'ble SAT noted that it did not agree with the findings of the adjudicating officer. The SAT order states that reliance placed by SEBI on the BENPOS report was 'patently erroneous' and that disclosure by the Company thereof was not practical. That said, SAT disallowed the appeal and upheld the monetary penalty against the Company on the basis that Company became aware of the relevant trade during enquiry by SEBI and should have taken steps to make disclosures within 2 trading days of becoming aware of the relevant trade.

C. Disclosure of Vigil Mechanism/ Whistle Blower Policy and access to the Chairman of the Audit Committee

The Company has formulated Whistle Blower/ Vigil Mechanism Policy, pursuant to which the Director(s) and employee(s) of the Company have open access to the Authorised Person/ Committee member, as the case may be, and also to the Chairman of Audit Committee, whenever exceptionally required, in connection with any grievance, which is concerned with unethical behavior, frauds and other illegitimate activities in Company. The Whistle Blower Policy / Vigil Mechanism Policy adopted by the Company is available on the website of the Company i.e. www.dmartindia.com.

During the financial year 2021-22, the Company had received 4 (four) complaints pursuant to Whistle Blower/ Vigil Mechanism Policy, which were disposed off.

D. Policy for determining 'material' subsidiaries

The Company has formulated a policy for determining material subsidiaries in terms of the Listing Regulations. This Policy has been posted on the website of the Company at the web link: http://www.dmartindia.com/investor-relationship.

The Audit Committee reviews the financial statements and in particular, the investments made by the unlisted subsidiary companies. The minutes of the Board meetings of the subsidiaries are placed at the meeting of the Board of Directors of the Company. The management of the unlisted subsidiary periodically brings to the notice of the Board of Directors of the Company a statement of all significant transactions and arrangements entered into by the unlisted subsidiary, if any.

E. Policy on materiality and dealing with Related Party Transactions

The Company has formulated a policy on materiality of Related Party Transactions and dealing with Related Party Transactions in line with the requirements of Section 177 (4) (iv) and 188 of the Act, read with Rules framed thereunder and the Listing Regulations, which was revised and approved by the Board of Directors of the Company at their meeting held on 08th January, 2022. This Policy has been posted on the website of the Company at the Web link: http://www.dmartindia.com/investor-relationship.

F. Code of Fair Disclosure of Unpublished Price Sensitive Information

In order to restrict communication of Unpublished Price Sensitive Information (UPSI), the Company has adopted Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information in compliance with SEBI (Prohibition of Insider Trading) Regulations, 2015 as amended from time to time. The said Code is available on the website of the Company at the Web link: http://www.dmartindia.com/investor-relationship.

G. Disclosure in relation to Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The details of number of complaints received and disposed of during the year ending 31st March, 2022 is given in the Directors' report.

H. List of all credit ratings obtained by the Company along with any revisions thereto during the relevant financial year

The list of credit ratings obtained by the Company during the year ending 31st March, 2022 is given in the Directors' Report.

I. Details of utilization of funds raised through Qualified Institutions Placement

The details of utilization of funds raised through Qualified Institutional Placement as on 31st March, 2022 is given in the Directors' report.

J. A certificate from a Company Secretary in practice

A certificate from the Company Secretary in practice that none of the directors on the board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/ Ministry of Corporate Affairs or any such statutory authority is attached with this Annual Report.

K. Total fees paid by the Company and its subsidiaries, on a consolidated basis to S R B C & Co. LLP, Statutory Auditors and all entities in its network firm/network entity, during the Financial Year 2021-22.

(₹ in crore)

Particulars	Amount (including GST)
Audit Fees	0.92
Other Services/ certifications*	0.28
Reimbursement of expenses	0.01
Total**	**1.21**

* Includes amount paid to network firm/ entity of S R B C & Co LLP

** Includes amounts accrued and payable at the year end.

15. NON-COMPLIANCE OF ANY REQUIREMENT OF CORPORATE GOVERNANCE REPORT

There have been no instances of non-compliance of any requirement of the Corporate Governance Report as prescribed by the Listing Regulations.

16. COMPLIANCE WITH DISCRETIONARY REQUIREMENTS

The Company has voluntarily complied with the following discretionary requirements as provided under Regulation 27(1) read with Part E of the Schedule II of the Listing Regulations:

- Modified opinion(s) in audit report: The Statutory Auditors have issued an unmodified audit opinion on the financial statements of the Company for the year ended 31st March, 2022.
- Separate posts of Chairperson and the Managing Director or the Chief Executive Officer: The Company have separate persons to the post of the Chairperson and the Managing Director or the Chief Executive Officer.
- Reporting of Internal Auditor: The Internal Auditor directly reports to the Audit Committee for functional matters and presents the internal audit report to the Audit Committee every quarter.

17. DISCLOSURE ON COMPLIANCE WITH CORPORATE GOVERNANCE REQUIREMENTS

Your Company has complied with all the corporate governance requirements specified in Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the Listing Regulations, wherever applicable to your Company.

Code of Conduct Declaration

In terms of Regulation 26(3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and based on the affirmations provided by the Directors and Senior Management Personnel of the Company to whom Code of Conduct is made applicable, it is declared that the Board of Directors and the Senior Management Personnel have complied with the Code of Conduct for the year ended 31st March, 2022.

For **Avenue Supermarts Limited**

Ignatius Navil Noronha
Managing Director & CEO
DIN: 01787989

Date: 14th May, 2022
Place: Thane

Certificate on Non-Disqualification of Directors

(Pursuant to Regulation 34(3) and Schedule V Para C Clause 10(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members of
Avenue Supermarts Limited
Anjaneya CHS Limited, Orchard Avenue,
Opp. Hiranandani Foundation School,
Powai, Mumbai 400 076

We have examined the relevant register, records, forms, returns and disclosures received from the Directors of Avenue Supermarts Limited having CIN: L51900MH2000PLC126473 and having registered office at Anjaneya CHS Limited, Orchard Avenue, Opp. Hiranandani Foundation School, Powai, Mumbai 400 076 (hereinafter referred to as "the Company"), for the purpose of issuing this certificate in accordance with Regulation 34(3) read with Schedule V Para C Clause 10(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status on the portal www.mca.gov.in) as considered necessary and explanation furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the financial year ended 31st March, 2022, have been debarred or disqualified from being appointed or continuing as Director of the companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such statutory authority.

Sr. No.	Name of the Director	DIN	Date of Appointment in the Company
1.	Mr. Ramesh Damani	00304347	09/09/2009
2.	Mr. Chandrashekhar Bhave	00059856	17/05/2016
3.	Ms. Kalpana Unadkat	02490816	30/07/2018
4.	Ms. Manjri Chandak	03503615	31/03/2011
5.	Mr. Ignatius Noronha	01787989	02/01/2006
6.	Mr. Ramakant Baheti	00246480	02/01/2006
7.	Mr. Elvin Machado	07206710	10/06/2015

Ensuring the eligibility for the appointment/ continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the company nor of all efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **Rathi & Associates**
Company Secretaries

Himanshu S. Kamdar
Partner
FCS No.: 5171
COP No.: 3030

Date: 14th May, 2022
Place: Mumbai
UDIN: F005171D000317923

Chief Executive Officer (CEO) and Chief Financial Officer (CFO) Certification

We hereby certify that:

(a) We have reviewed financial statements and the cash flow statement for the financial year ended March 31, 2022 and to the best of our knowledge and belief:

i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

ii. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

(b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year, which are fraudulent or illegal or violative of the Company's code of conduct.

(c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

(d) We have indicated to the auditors and the Audit Committee:

i. significant changes in internal control during the year;

ii. significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and

iii. instances of significant fraud of which we have become aware and the involvement therein, if any, of the Management or an employee having a significant role in the Company's internal control system over financial reporting.

This certificate is being given to the Board pursuant to Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Thank you.

Yours truly,

For **Avenue Supermarts Limited**

Ignatius Navil Noronha
Managing Director & CEO

For **Avenue Supermarts Limited**

Niladri Deb
Chief Financial Officer

Date: 14th May, 2022
Place: Thane

Certificate on Corporate Governance

To,
The Members of
Avenue Supermarts Limited

We have examined the compliance of condition of Corporate Governance by **Avenue Supermarts Limited** ('the Company') for the financial year ended March 31, 2022, as stipulated in Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examinations have been limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance as stipulated in the said Regulations. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For **Rathi & Associates**
Company Secretaries

Himanshu S. Kamdar
Partner
FCS No.: 5171
COP No.: 3030

Date: 14th May, 2022
Place: Mumbai
UDIN: F005171D000317934

Business Responsibility Report

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1. **Corporate Identity Number (CIN) of the Company**: L51900MH2000PLC126473

2. **Name of the Company**: Avenue Supermarts Limited ("ASL", "The Company")

3. **Registered Office Address**: Anjaneya CHS Ltd, Orchard Avenue, Opp. Hiranandani Foundation School, Powai, Mumbai – 400076.

   Corporate Office Address: B–72/72A, Wagle Industrial Estate, Road No. 33, Kamgar Hospital Road, Thane – 400604

4. **Website**: www.dmartindia.com

5. **E-mail id**: suggestion@dmartindia.com

6. **Financial Year Reported**: FY 2021-22

7. **Sector(s) that the Company is engaged in (industrial activity code-wise)**: Retail Trade – 47 (Retail Trade, except of motor vehicles and motorcycles)

8. **List three key products/services that the Company manufactures/provides (as on balance sheet)**

   - Foods
   - Non-Foods (Fast Moving Consumer Goods)
   - General Merchandise and Apparel

9. **Total number of locations where business activity is undertaken by the Company:**

   i. **Number of International Locations**: Nil

   ii. **Number of National Locations**: As on 31st March, 2022, the Company carries out its business operations through 284 stores located across 10 states, 1 Union Territory and NCR.

10. **Markets served by the Company – Local/ State/ National/ International**: National (India)

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1. **Paid Up Capital (INR)**: ₹647.77 crore

2. **Total Turnover (INR)**: ₹30,352.50 crore

3. **Total Profit after Taxes (INR)**: ₹1,616.17 crore

4. **Total Spending on Corporate Social Responsibility (CSR) as percentage of Profit after Tax (%):** ₹29.13 crores, 1.81% of average profit for previous three years (computation as prescribed by the Companies Act, 2013). Further, ₹2.16 crores has been transferred to Unspent CSR Account as per Section 135 (6)

5. **List of activities in which the expenditure in 4 above has been incurred**: Refer to Annexure IV of the Directors Report.

SECTION C: OTHER DETAILS

1. Does the Company have any Subsidiary Company/ Companies?

Yes, the Company has five subsidiary companies as listed below;

1. Align Retail Trades Private Limited
2. Avenue E-Commerce Limited
3. Avenue Food Plaza Private Limited
4. Nahar Seth & Jogani Developers Private Limited
5. Reflect Wholesale & Retail Private Limited

2. Do the Subsidiary Company/ Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)

Align Retail Trades Private Limited, a subsidiary of ASL, participates in relevant BR initiatives of the Company.

3. Do any other entity/ entities (e.g. Supplier, distributor etc.) that the Company does business with; participate in the BR initiatives of the Company? If yes indicate the percentage of such entities? (Less than 30%, 30–60% and more than 60%)

No.

SECTION D: BUSINESS RESPONSIBILITY INFORMATION

1. Details of Director/ Directors responsible for BR

a) **Details of the Director/ Director responsible for implementation of the Business Responsibility policy/ policies**

Name	DIN Number	Designation
Mr. Ignatius Navil Noronha	01787989	Managing Director & CEO

b) **Details of the Business Responsibility Head**

DIN Number (if applicable)	N.A.
Name	Mr. Rushabh Ghiya
Designation	AVP-Investor Relations
Telephone number	022-3340 0500 / 022-71230500
Email id	suggestion@dmartindia.com

2. Principle-wise (as per NVGs) BR Policy/ Policies

a) **Details of compliance (Reply in Y/ N)**

Sr. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have policy/ policies for…	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy been formulated in consultation with relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
		All the policies have been developed in consultation with the Management of the Company.								
3	Does the policy conform to any national /international standards? If yes, specify? (50 words)	Y	Y	Y	Y	Y	Y	Y	Y	Y
		The policies are in-line with the principles of National Voluntary Guidelines (NVG).								
4	Has the policy been approved by the Board? If yes, has it been signed by the MD/owner/CEO/appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
		All the policies have been approved by the Board and have been signed by the Managing Director & CEO.								
5	Does the Company have a specified committee of the Board/ Director/Official to oversee the implementation of the policy?	The Company has appointed a Business Responsibility Head to oversee the implementation of the policies								
6	Indicate the link to view the policy online?	Y	Y	Y	Y	Y	Y	Y	Y	Y
		Weblink: http://www.dmartindia.com/investor-relationship								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
		The policies are uploaded on our websites for communicating it to the internal and external stakeholders. Weblink: http://www.dmartindia.com/investor-relationship								
8	Does the Company have in-house structure to implement its policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
		Stakeholders can report grievances related to policies and provide suggestion on the email id; suggestion@dmartindia.com								
10	Has the Company carried out independent audit/evaluation of the working of this policy by an internal or external agency?	The working of the BR policy is evaluated internally.								

3. **Governance related to BR**

   a) **Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, more than 1 year.**
   The Business Responsibility performance is reviewed annually.

   b) **Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?**
   ASL is publishing its Business Responsibility Report as a part of its annual report which is published annually. The Annual Report is available at www.dmartindia.com under the section Investor Relations.

SECTION E: PRINCIPLE WISE PERFORMANCE

Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

1. **Does the policy relating to ethics, bribery and corruption cover only the Company? Yes/ No. Does it extend to the Group/ Joint Ventures/ Suppliers/ Contractors/ NGOs/ Others?**
   The Company has incorporated a policy on Ethics, Transparency & Accountability which is applicable to its Employees, Directors, Business Partners, Business Associates and other relevant stakeholders to conduct business ethically and transparently.

   The policy on ethics and transparency acts as a guidance manual for all our stakeholders to conduct business ethically and avoid any breaches related to unfair practices.

   The Company has a separate code of conduct for Board Members and Senior Management. The intent of this code is to focus on areas of ethical risk, provide guidance to recognize and deal with ethical issues, provide mechanisms to report unethical conduct and help foster a culture of honesty and accountability.

2. **How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.**
   ASL as an organisation is conscious about all complaints received from its stakeholders. Through a formal mechanism we address each complaint. Due care is taken to maintain complete confidentiality of all complaints received. Our Senior Management Team is directly involved in all critical complaints. They also periodically review complaints and suggest corrective actions in our internal processes, if required.

Opening Balance	Received (FY 2021-22)	% of complaints resolved (FY 2021-22)
119	41	10.6%

Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their lifecycle

1. **List up to 3 products or services whose design has incorporated social or environmental concerns, risks, and/ or opportunities.**
   The Company's principle nature of business is to provide everyday use products to end consumers. However, one of our subsidiary Company procures, processes and repacks certain products which are provided to end consumers through our stores.

   It is our constant endeavor to ensure that all laws and regulations related to processing, packaging, labeling are adhered to along with periodic internal quality control checks.

2. **For each product, provide the following details in respect of resources (energy, water, raw material etc.) per unit of product.**

   (i) Reduction during sourcing/ production/ distribution achieved since the previous year throughout the value chain?
   ASL understands the global issue of climate change and has incorporated possible actions to address it. Sustainability is an independent function in our organisation led by Sustainability Officer who leads all our initiatives in this regard.

   We strive to obtain Green Building Certification for our stores under Indian Green Building Council (IGBC) or US Green Building Council (USGBC). This year we have further obtained Gold Certified Green Building Certification for 53 additional buildings; taking our total to 152 buildings. This certification is issued by the Indian Green Building Council (IGBC) for 148 of our buildings and U.S Green Building Council (USGBC) for 4 of our buildings. We have thus far obtained 152 certifications in this regard (1 Platinum, 150 Gold, 1 Silver).

   Green building refers to both a structure and the application of processes that are environmentally responsible and resource-efficient throughout a building's life cycle: from planning to design, construction, operation, maintenance, renovation and demolition.

   There are several factors which are considered for awarding this certification. Some of those are elaborated below in detail (including our efforts within those factors):

   - Increase in use of renewable energy by installation of solar plants on rooftop and car ports.
   - Use of energy efficient LED lighting system for the existing and new stores.

- Use of CFC-Free Refrigerants in our Air Conditioning Equipment to reduce emission of greenhouse gases
- Use of BEE Star rated split air conditioners which consume less energy in comparison to conventional air conditioners.
- Reduce the depletion of groundwater by developing rainwater harvesting pits to collect rainwater run-off and harvest it (through groundwater recharge)
- Reduce use & wastage of fresh water by installation of water-efficient fixtures that consume lesser water than the conventional ones.
- Recycling of waste water after treatment through in-house sewage treatment plants reducing fresh water requirement for flushing.
- Use of Pressure Washers which helps in efficient cleaning at significantly lower water consumption.
- Installation of speed breakers that are manufactured using recycled composite materials.
- Use of AAC Blocks with recycled content material in construction.

The plastic packaging and paper waste generated at our stores / packaging units is segregated at source and stored in a secured place.

This waste is then handed over to authorised recyclers. This year in total we managed to hand over more than 20,000 MT of paper waste and more than 1,500 MT of plastic waste for recycling.

Further, we also sustainably disposed post-consumer plastic waste of more than 1,800 MT through authorised channels.

Our endeavour is also to nurture local products and local businesses so that they too can compete with minimal costs to launch their products. At the same time, we have active conversations with our large and organized suppliers on how they could create a positive impact to climate change through innovation.

(ii) Reduction during usage by consumers (energy, water) has been achieved since the previous year?

- We have completely stopped sale of plastic carry bags at all our stores. We therefore encourage our customers to carry their own reusable carry bags for shopping at our stores.
- We have installed Sewage Treatment Plants (STP) at stores wherever possible to use recycled water and thereby reduce load on the municipal bodies for fresh water supply. We have 113 STPs across our premises with a cumulative capacity to treat 1,175 kilo liters of water per day. 36.0% of our total water usage at these premises is met through recycled water. We estimate to have reduced usage of 70,452 kilo liters of fresh water in our operations at these 113 premises by recycling treated water.
- To reduce the packaging consumption by light weighting the packaging, the traditional tubs (made of board) used for serving popcorn are replaced by paper pouches. These pouches weigh 1/3rd of the tubs.

Pilot Initiatives commenced during the year:

- We have collaborated with a large FMCG Company to provide a dispenser at one of our stores for certain FMCG products (liquid detergent and fabric softener). Customers can bring their own container and refill using the dispenser and thus reduce consumption of new plastic bottles.

3. Does the Company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably? Provide details thereof, in about 50 words or so.

The Company has a structured procedure which is followed before collaborating with any business partners/ associates. Our team visits their facilities to assess and evaluate them on health and safety parameters.

ASL is aiming to reduce its fuel consumption in transportation by operating through common distribution centers in vicinity of our store locations, wherever feasible. This minimizes the distance to transport goods to our stores and helps us consolidate multiple trips by individual suppliers to our various stores, thus reducing fuel consumption.

4. Has the Company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

Our endeavour is to nurture local products and local businesses so that they too can compete with minimal costs to launch their products. Local suppliers/ vendors are evaluated based on the quality parameters set by the Company. We conduct business with a large number of Micro, Small & Medium Enterprises across India.

5. Does the Company have mechanism to recycle products and waste? If yes, what is the percentage of recycling waste and products? Provide details thereof, in about 50 words or so.

Owing to the nature of our business we generate very limited amount of waste. The Company has installed sewage treatment plants at stores wherever possible to use recycled water and thereby reduce load on the municipal bodies for fresh water supply. The plastic packaging and paper waste generated at our stores / packaging units is segregated at source and stored in a secured place.

This waste is then handed over to authorised recyclers. This year in total we managed to hand over more than 20,000 MT of paper waste and more than 1,500 MT of plastic waste for recycling.

Further, we also sustainably disposed post-consumer plastic waste of more than 1,800 MT through authorised channels.

Principle 3: Businesses should promote the wellbeing of all employees

1. **Please indicate the total number of employees.**
   Total number of permanent employees is 11,312.

2. **Please indicate the total number of employees hired on temporary/ contractual/casual basis.**
   The total number of employees hired on contractual basis is 40,777.

3. **Please indicate the number of permanent women employees.**
   Total number of permanent women employees is 2,668.

4. **Please indicate the number of permanent employees with disability.**
   Total number of permanent employees with disability is 13.

5. **Do you have an employee association that is recognised by management?**
   The Company does not have any recognised employee association.

6. **What percentage of your permanent employees are a member of this recognised employee association?**
   Not Applicable.

7. **Please indicate the number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.**
   ASL has stringent policies & procedures which are in line with local laws to prevent any kind of forced labour, child labour and sexual harassment at our locations of operations. Some of these processes are:

   - We collect valid documents related to age proof. Employment is confirmed only after submission of valid documents which are verified.
   - The Company maintains a safe working environment for women employees. We create awareness among all our employees that sexual harassment is a serious misconduct and there are formal mechanisms available for raising complaints.

   The details of the no. of complaints received during the financial year 2021-22 are as follows:

Category	No. of complaints received during financial year	No. of complaints pending at the end of the financial year
Child Labour/ Forced Labour/ Involuntary Labour	-	-
*Sexual Harassment	-	-
Discriminatory employment	-	-

*The Company conducted several training sessions for all its employees to create awareness about Prevention of Sexual Harassment during the Financial Year.

8. **What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?**
   The Company organizes several training programmes for its employees through functional modules. The training content is based on the roles and responsibilities performed by the employees in different grades and departments.

   The details of trainings conducted during the financial year 2021-22 are as follows:

Employee category	% of employees that were given safety training*	% of employees that were given skill up-gradation training
Permanent employees	79	78
Permanent women employees	87	85
Casual/ Temporary/ Contractual Employees	70	106
Employees with disability	59	79

*There was some disruption for safety trainings during Q3 of FY 2021-22 due to Covid-19.

In addition to the above, we have given below some supplemental information with regards to the wellbeing of our employees.

Our employees are critical to our business. We internally assess our employees to periodically identify competency gaps and use development inputs (such as skill upgradation training) to address these gaps. We have implemented staff training policies and assessment procedures and intend to continue placing emphasis on attracting and retaining motivated employees.

We continue investing in training programmes and other resources that enhance our employees' skills and productivity. We will continue to help our employees develop understanding of our customer-oriented corporate culture and service quality standards to enable them to continue to meet our customers' changing needs and preferences.

Below are some key highlights:

i. Fair and Transparent Remuneration Policy

We always ensure fair, timely and transparent payment of contractual wages to all our employees, including contract and casual labor. For executive-level employees, certain performance-linked incentives are offered in addition to their fixed salary. Our performance-linked incentives consist of additional remuneration payments determined based on each employee's performance and position.

We have followed transparent management policies and have implemented employee stock option schemes from time to time. Many of our present and past employees hold Equity Shares in our Company.

ii. Learning and Development

We believe that our emphasis on training our employees improve our operations and efficiency as well as our customer service standards. It incentivises and encourages employee loyalty and builds a strong corporate culture. It also enables personal development and career progression for employees.

A significant portion of our mid-level positions are filled internally through promotions and internal job postings. This is enabled through a rigorous and structured multi-year training programme which is backed by certifications that are awarded to employees on completion of their training and evaluations. We have a large in-house team that leads this effort.

We also collaborate with leading institutes and experts to custom design development programmes to help in enhancing leadership development within the company.

Our training curriculums are custom-developed in line with our internal processes, operational procedures and values. Through these programmes, employees receive training on areas such as (i) responsibilities to customers on product quality and customer services; (ii) competitive pricing policies; and (iii) the operational procedures of our stores and regular updates on developments in management and market trends.

During the year, we conducted 479,023 hours of skill upgradation training programmes across all our premises covering more than 42,000 employees.

iii. Employee Safety and Wellbeing

We have a strong emphasis on safety at our premises. We have developed comprehensive safety training programmes covering all aspects of safety. We conduct programmes regularly for all employees at all our premises. This has created a "Safety First" culture within the company. Further, our internal team continuously conducts independent assessments of our premises to ensure a safe operating environment for all employees, customers, partners and our local communities.

During the year, we conducted 536,737 hours of safety training programmes across all our premises covering more than 56,410 employees.

Our permanent employees receive benefits such as medical assistance (including hospitalisation), group accident insurance, annual leave along with leave encashment, maternity leave for women employees, retirement benefits, and relocation allowance among others. All employees are covered for health insurance.

iv. Employee Voice and Engagement

Engaged employees perform better. A conducive and friendly workplace is what inspires employees to deliver on our promise to customers. To understand how we fare as a company, we conduct a Gallup Survey every 2 years. This gives us an insight into how employees perceive our workplace environment and provides us an opportunity to further improve our ways of working.

In addition, each unit manager regularly conducts a briefing session with all employees. These sessions allow the manager to communicate openly with employees and also understand their view points.

We have also engaged a reputed third party which runs an independent Ethics Helpline (Web based complaints, toll-free telephone number, email, fax and post complaints can be logged by all employees). All our employees are free to connect with the helpline. It is ensured that all engagement is completely confidential and is only shared with Senior Management of the Company. This helps employees report any grievance / complaint / issue that they may face at any time during employment. Adequate communication boards are placed at all premises which provides the contact details of this helpline

We have further provided a platform through our website where employees can directly share feedback. This feedback can be shared anonymously and is accessed directly by a small team at the Central Corporate Office. Key points / issues / suggestions are then directly shared with the Management Team to further direct appropriate changes in line with our culture and values.

v. Adherence to Human Rights

We have a policy on human rights which is applicable to our employees, suppliers and service providers. The said Policy and its implementation is directed towards adherence to applicable laws and upholding the spirit of human rights.

In line with our commitment to good governance and practices, it is ensured that no person below the age of eighteen years is employed by us. Forced or compulsory labour is strictly prohibited and so is the association with vendors and suppliers who employ child and / or forced labour.

vi. Equal Opportunity and Diversity

We provide and maintain equal opportunities during recruitment and active employment for all our employees and partners without any form of discrimination in benefits, training & development and compensation based on any caste, creed, gender, race or religion. We ensure adequate skill upgradation trainings for all employees by providing access to necessary learning opportunities, on an equal and non-discriminatory basis. Further, we are mindful of our local communities in areas where we operate and every attempt is made to provide them meaningful employment with us. This also significantly reduces their commute time to work.

We place significant importance on workplace diversity. Over the years we have taken several steps to improve gender balance within our workforce. 39% of our current store-front employees consist of women. Overall, 28% of store-front supervisory roles are led by women.

We ensure complete adherence to Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. We have put in place suitable mechanisms which ensure appropriate protection to all women employees and effective redressal in case of any issues. All employees undergo an annual awareness programme. We have also ensured regional and central committees to address such issues.

Our company policies ensure fair employment opportunities to differently abled persons across the business. We have 199 employees (permanent and contractual) who are differently abled.

Principle 4: Businesses should respect the interests of, and be responsive to the needs of all stakeholders, especially those who are disadvantaged, vulnerable, and marginalized.

1. Has the Company mapped its internal and external stakeholders? Yes/ No

Yes, ASL has identified and mapped all its key internal and external stakeholders and same are mentioned below;

a) Customers

b) Employees

c) Business Partners/ Associates

d) Shareholders

e) Regulatory Authorities/ Bodies

f) Local Communities in the areas that we operate in

Data Privacy

We are a consumer facing business and hence the privacy of data of all our stakeholders is extremely important to us. We collect information from Stakeholders who choose to provide feedback or express their grievances with respect to their experiences during any interaction with us. All stakeholders have the option to choose to not share their name, contact number, email address and any such personal information. We use this information to improve our services and resolve their queries. We do not share any information collected by us with any third parties or affiliates.

Our Information Security function, led by our Group Chief Information Security and Privacy Officer ensures that we follow stringent security measures to maintain the privacy of any information shared with us submitted by any means. Systems and procedures have been established to ensure that there are no instances of non-compliance resulting in a breach of data privacy. Our privacy policy covers all aspects of data privacy with respect to sensitive information. Periodic assessments are carried out to identify vulnerabilities and threats to assets and determine the controls that need to be put in place.

2. **Out of the above, has the Company identified the disadvantaged, vulnerable & marginalized stakeholders?**
   Yes.

3. **Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable, and marginalized stakeholders? If so, provide details thereof, in about 50 words or so.**
   India has been one of the fastest growing economies in the world. However, socioeconomic problems such as poverty, illiteracy, malnutrition, inadequate healthcare etc. still continue to impact a large section of our society. The government has traditionally been the largest contributor in bridging the social divide. To help India sustain its rapid progress and ensure equitable progress for all it is imperative for the corporate sector to make meaningful impact in the progress of our society.

   We believe that as a company we have a unique opportunity and responsibility to make meaningful contributions to the lives of beneficiaries through our structured interventions. The key objective of our Corporate Social Responsibility (CSR) programme is to foster better quality of life and create equal opportunities for supporting economically and socially disadvantaged in our country.

   Over the years, our programme has focused on primary education, nutrition, healthcare and sports promotion. We conduct our programme through a combination of strong direct support and meaningful contribution / partnerships with reputed external organisations. We have a large internal team lead by our Head of CSR to manage all our programmes. Further, we have a team of 14 Programme Managers and Associates to focus on each vertical within our interventions.

   “School Excellence Programme” is our flagship intervention in the field of primary education. Our mission through this intervention is to work with Government / Municipal / Zilla Parishad Schools (Public Schools) to improve the quality of education and infrastructure at these schools.

   We have 9 structured interventions within this programme for which we have directly deployed more than 300 multi-skilled teachers, 30 supervisors, 5 counselors and 3 computer engineers. We strongly believe that access to good quality education to these underprivileged students in their formative years will significantly contribute to their success during adulthood.

   Our programme supported students from 6 Municipal Corporations of Mumbai Metropolitan Region (Mumbai, Thane, Navi Mumbai, Panvel, Mira-Bhayander and Kalyan-Dombivali). This year we have additionally increased our reach within the MMR Region (Bhiwandi) and also extended our coverage to two new cities in Maharashtra (Pune and Aurangabad). We cover more than 290 Government / Municipal / Zilla Parishad Schools (Public Schools) across these cities / towns positively impacting more than 125,000 students.

   Schools and other learning spaces were shut through most of the previous year and a large part of the current year due to the pandemic. Therefore, there was a significant shift in the learning system to virtual means through the use of audio and video as learning aids. We mobilised our resources from different programmes such as Reading Programme, English for All and Digital Literacy Programme to support our students virtually. We collaborated with the school authorities and assisted them in setting up virtual learning environments and creating appropriate online content to the best of our abilities.

   We also recognize that there are several external organizations which are running impactful programmes to support the economically and socially disadvantaged. We have partnered with and contributed to several such reputed external organisations to support our focus within Education, Healthcare and Nutrition.

   In addition, each year we carry out independent impact assessments through reputed organisations to gauge the effectiveness of several of our programmes and contributions. A thorough review and analysis of the key findings is undertaken by our team to further improve the impact and effectiveness of our interventions.

   A brief overview of our interventions in the School Excellence Programme is given below:

   a. Digital Literacy Programme
      Computer-aided learning is one of our flagship support programmes. We have set up a Computer Lab in each program school that has up to 21 Computers. 2 Headphones per computer have also been provided

to facilitate audio-video learning. There is also an internet facility available in each Lab. All necessary software required for teaching and the curriculum plans are installed. Entire procurement, maintenance and servicing of the hardware is the responsibility of our technical team. Our curriculum focuses on improving basic computer skills, language and general knowledge proficiency as well as numerical skills. These topics are taught using educational games and interactive tutorials, which simplifies concepts and makes learning enjoyable. Quarterly training sessions are organized for all teachers. With constant feedback, teachers are able to work on their areas of development and deliver content more effectively.

# of Computer Labs	# of Teachers	# of Students Supported
105	210	85,000

b. Library programme

Our library programme provides students with contextual books, which help them inculcate an interest in reading and improves their vocabulary and reading proficiency. The libraries are used as a space to build literacy skills through activity-based learning. Each Library has a teacher who is proficient in several languages. We provide a good collection of books in different languages. The stories are inspiring and relatable to children. The entire curriculum is delivered to children by a dedicated teacher through interactive sessions with pre-reading, reading, and comprehension skills. We ensure that all the teachers undergo comprehensive training that equips them to manage the library as a librarian as well as to conduct the reading program sessions. They are trained in different ways of engaging the children through voice modulation and other techniques.

# of Libraries	# of Teachers	# of Students Supported
90	85	83,000

c. English for All

Our effort in this programme is directed towards teaching students to speak and read English effectively. The entire curriculum is delivered to children through interactive sessions, phonics, and activity-based learning. The curriculum is designed to improve four core skills of the Language - Listening, Speaking, Reading and Writing. This programme is run by well-qualified, competent, and committed teachers who are equipped through rigorous training to teach English to children who come from underprivileged backgrounds.

Apart from the induction training, we train our teachers at an interval of 6-8 weeks led by our in-house Programme team. Our teachers are equipped with the right content and pedagogical skills to achieve desired outcomes.

# of Schools Supported	# of Teachers	# of Students Supported
57	23	13,000

d. Swachh School Abhiyan

Through this programme, we aim to foster a culture of cleanliness and personal hygiene at school premises. We encourage schools to maintain a high standard of cleanliness through competitive grading among them. This has motivated all schools to maintain their facilities and promote cleanliness amongst students. We have developed 8 criteria to grade schools in areas of cleanliness related to Classrooms, Drinking water area, Toilets, Mid-Day meals, Floor, Dustbin, Head Master room and personal hygiene of Students. Our supervisors are trained to do meticulous monitoring of school premises and accordingly assign grades to schools. This program has enabled to successfully advocate the importance of cleanliness which has enabled schools to participate and win state level prizes in cleanliness.

# of Schools Supported	# of Supervisors	# of Students Supported
184	5	67,000

e. Building as a Learning Aid (BALA)

We have seen the positive impact of a well-designed and colorful workplace, and our BALA initiative replicates this concept in public schools by designing and improving the aesthetics of the school premises. BALA aims to foster a child-friendly environment in schools by stimulating the curiosity among students to learn and remember easily through vibrant visuals. Our BALA paintings are created to be contextually sound and visually appealing. Our main themes include school details on the outside of the building, values and mindsets, good habits, sustainable actions, vocabulary, academic concepts, maps, inspirational quotes spread across staircases, pillars and corridors. Additionally, we also have theme-based paintings especially done to complement our Digital Literacy program and Reading Program, that are done in all computer labs and reading rooms where we have our interventions.

# of Schools Supported	# of Students Supported
290	125,000

f. Remedial classes

Remedial Classes are conducted beyond school hours across select schools in Mumbai and Navi Mumbai region covering Grade 9 and 10 students by focusing on the key subjects of Mathematics, Science and English. Our core objective of this programme is to enable students to perform well in their Board exams and also build a strong foundation for their higher education. During the academic year 2021-22, the programme operated in a Hybrid model of online and offline classes. There were numerous training sessions for teachers where they deep dived into curriculum planning and efficient strategies of assessment in order to help students achieve grade level learning in the key subjects. We also partnered with experts to create career awareness among students of several public schools.

# of Schools Supported	# of Teachers	# of Students Supported
28	29	3,500

g. Public Private Partnership (PPP) model Schools (2 Public Schools covered)

Our PPP Model Schools in partnership with Thane Municipal Corporation (TMC) have the vision of transforming school education in Thane Municipal schools by providing holistic education to the students. For the academic year 2021-22, our team of 12 dedicated teachers and staff ensured the best learning experience for a batch of 250 students using creative pedagogy, continuous assessments and technology aided classrooms. While conducting classes in a hybrid model due to the pandemic, we also managed to provide access and exposure to students through various celebrations like Science Day, Marathi Diwas etc along with building career awareness of students through sessions conducted by an external expert partner. We have achieved 100% pass percentage for all students in both our schools in the State Secondary Certificate (SSC) examination during the recently concluded academic year.

# of Schools Supported	# of Teachers	# of Students Supported
2	12	250

h. Physical development through sports programme

Sports play an important role in the holistic development of the students. Creating a strong foundation in the formative years provides a realistic chance of building excellent sportspersons for the future. Our Sports Programme has two segments – 'Sports and Play' and 'Sports Centre'. 'Sports and Play' is focused on building motor skills and basic fitness for students of Grades 1-5 through engaging games which ensures maximum participation and development of Sportsmanship Spirit. Sports Centre on the other hand focuses on specific sports such as Wrestling, Kabbadi and Judo where reputed and experienced coaches develop the students for various Sports Tournaments at various levels in the country. During 2021-22, our team of dedicated coaches and trainers conducted online sessions and shared fitness videos on a daily basis to keep the enthusiasm for sports and fitness among students.

# of Schools Supported	# of Coaches	# of Students Supported
15	20	5,500

i. Parent Engagement Programme

This programme aims to engage parents in their child's overall development. Our team of counselors conduct parent meetings in schools on key topics to address the gap in development needs of their children. The team continued to engage with the parents through the online platforms during the pandemic. The main theme of the meetings was to impart the importance of education, nutrition and the various ways in which a parent can take interest in a child's education and be a positive support for the children. Regular discussions and meetings were organized with the team throughout the year along with feedback calls with select parents to understand the effectiveness of these meetings.

# of Parent meetings conducted	# of Counselors	# of Parents reached
406	3	12,000

External Programmes

a) Education

i. Dakshana Foundation, Pune

Dakshana is a non-profit organization that helps under privileged students, predominantly from rural India, to prepare for IIT and medical entrance (NEET) exams through a residential programme. They have been offering free coaching scholarships for competitive exams such as JEE/NEET/AIIMS for over 13 years. Over the years, Dakshana has sponsored 6200+ scholars, of which 2,400 scholars have been admitted to IITs, 1,000 to the NITs and over 600 have been admitted to government medical colleges. DMart has been supporting Dakshana for the past two years and has continued the association this year to sponsor Dakshana's scholarship programme.

ii. Indian Institute of Technology, Mumbai

Indian Institute Of Technology, Mumbai and DMart Foundation have collaborated to provide scholarship support to undergraduate students and fellowship support to M.Tech and Ph.D students to promote educational, scientific research and promote human resources development in the field of advanced science and technology. Additionally, this collaboration will enable to nurture start-up ideas and promote entrepreneurship development at IIT-Mumbai.

iii. Shanti Bhavan, Bangalore
Shanti Bhavan aims to provide holistic quality education and empower children from underprivileged backgrounds. Their residential program provides 17 years of educational intervention, from age 4 to 21 years, catering to emotional development, mental and physical fitness, social and cognitive growth and academic excellence of children. We have extended our support to their programme that helps educate underprivileged children

b) Healthcare

i. The Assam Cancer Care Foundation (a partnership between the Government of Assam and Tata Trusts)

Under their cancer care initiative, Tata Trusts is engaged in setting up and/or equipping cancer care hospitals at different locations to make cancer treatment more easily accessible and affordable, particularly to the patients from the economically weaker sections of the society. With the aim to strengthen the government system and holistically transform cancer care in the country, we have collaborated with them to support their Cancer Program in Assam, thereby reducing patient load at key cancer centres elsewhere. The trust recently inaugurated 7 hospitals in Assam. We have supported a hospital at Jorhat, Assam by providing medical equipment for radiotherapy treatment and improving the overall quality of cancer treatment.

ii. CanCare Trust, Mumbai
CanCare Trust, Head and Neck Cancer Institute of India aims to build a hospital specializing in treating patients with head and neck cancer. 20% beds will be available for needy patients without any treatment cost. The hospital will also act as a training, education and research institute. One of India's most respected surgical oncologists, Dr. Sultan Pradhan is heading the project. This facility is expected to reduce the patient load in Tata Memorial Hospital, Mumbai. We have collaborated with CanCare trust to strengthen the infrastructural needs of the project.

iii. Support to Hospital Trusts - Mumbai, Palghar and Aurangabad
We have collaborated with Dr. Hedgewar Hospital, run by Dr. Babasaheb Ambedkar Vaidyakiya Pratishthan Charitable Trust, Aurangabad to help them strengthen their capacity of oxygen beds. This has been a lifesaving facility for hundreds of critical Covid-19 patients coming from 10 districts of Aurangabad region. We have further supported Dr. M. L. Dhawale Memorial Trust (MLDT) Health Care & Community Services to install Solar Power system at Bhopoli to supplement grid electricity supply. Additionally, we have supported in providing medico-surgical equipment at Mahavir hospital and physiotherapy equipment at Palghar hospital serving geriatric and differently abled children.

Social Service League's Charitable Eye and General Hospital, Kalyan is providing a dedicated service in the field of healthcare, especially in ophthalmic treatments for over 90 years. We have partnered with the charitable hospital to further the process of upgradation, redevelopment and introduction of various new activities.

c) Nutrition

i. Akshaya Patra
Akshaya Patra is a not-for-profit organization that runs Mid-Day Meal Programme to feed millions of children in India who lack the means but have the zeal to learn and achieve. By feeding them one wholesome meal a day, they intend to provide them the nourishment and motivation they need to pursue an education for a better future. As a support to this initiative, we have sponsored a large new kitchen with latest equipment over the last 2 years in Mumbai Metropolitan Region (MMR) to support and feed 23,000 children with Mid-Day meal at 121 Zilla Parishad Schools. The kitchen has commenced operations in April 2022, and we will continue to sponsor the cost of meals made here.

ii. Seva Mandir, Udaipur
Seva Mandir is a non-profit organization that has been working for the betterment of marginalized communities for over 54 years. In order to address the early childcare needs of underprivileged children, Seva Mandir has been running Balwadis, a full day child care center, since 1984. The Balwadis caters to children in the age group of 1-5 years with key focus on daycare, pre-school education and health. These Balwadis are run by locally recruited women, rigorously trained by Seva Mandir, in remote areas of South Rajasthan. At present, Seva Mandir, in close collaboration with communities, is running 160 Balwadi centers catering to about 4,600 children in Udaipur and Rajsamand District. 10 Balwadis in Badgaon and Girwa blocks of Udaipur district are supported by us. This has benefitted more than 290 children and 218 mothers/caregivers from marginalized

communities.

Principle 5: Businesses should respect and promote human rights

1. **Does the policy of the Company on human rights cover only the Company or extend to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others?**
   The Company has framed a policy on human rights, which is a guidance document for its Employees, Business Partners/ Associates and other relevant stakeholders.

2. **How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?**
   During the FY 2021-22, the Company has not received any complaints from stakeholders in this respect.

Principle 6: Business should respect, protect, and make efforts to restore the environment

1. **Does the policy related to Principle 6 cover only the Company or extends to the Group / Joint Ventures / Suppliers / Contractors / NGOs /others?**
   The Company has a defined Environment Policy which is a guidance document for its Employees, Business Partners/ Associates and other relevant stakeholders to encourage them to adopt more environment friendly and safe business practices.

2. **Does the Company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc.? Y/N. If yes, please give hyperlink for webpage etc.**
   We continue to strengthen our approach to sustainability through various means that would have a meaningful long term positive impact to our company, its employees, the environment and all other stakeholders. Considering the overall development of the country, the emission per person and the nature of our business model, we have developed a matrix for our go to market strategy on sustainability. It is an approach that is practical and appropriate. It is not aggressive or path breaking, however it is contextual to deliver incremental results over a long period of time. Our fundamental business model thrives on the principle of doing more with less. Value retail is more supply chain than retail. Our ability to deliver good quality products in the most efficient manner and in a conducive environment to our end consumer is the bedrock on which the business model was created and further strengthened. We like bulk at every step of the process – bulk in procurement, bulk in movement of goods and bulk in buying behavior of our shoppers. It is our endeavour to make customers come to our store less often but buy significantly more than they would buy at any other retail store. This approach helps us create capacity to serve more customers per day. A customer buying a very large quantity of goods once or twice a month is also significantly better for the climate than 10 quick deliveries a week of small value items at the doorstep.

Both types of need exist and hence multiple formats of retail evolve. However, we like to play in the bulk buying need sector. This invariably needs a lot of hard work from our employees and partners, precision systems and a competent workforce.

Hence our focus on recruiting locals in every location and then upskilling them and grooming them to become leaders of tomorrow is very intrinsic to our model of efficient operation and long-term competitive advantage. Our endeavour is also to nurture local products and local businesses so that they too can compete with minimal costs to launch their products. At the same time, we have active conversations with our large and organized suppliers on how they could create a positive impact to climate change through innovation. We have just begun this journey and we hope to make good progress over time. Our purpose to deliver good products also means we make significant attempts to enhance the quality of products such that they have durability and long-lasting capability while also delivering great value to the shopper. Our view on quality is that it is relative to the evolution of the customer in that state or city. It is our constant attempt to nudge the customer to choose wisely, such that in the long term they get great value by choosing good quality products.

Our commitment to making improvements towards the environmental situation is reflected in increasingly getting our locations certified under Green Building movement in India - 151 buildings of the Company have achieved either Platinum or Gold certification under USGBC / IGBC. That apart, our footprint decisions consider optimal use of resources and it is our earnest attempt to minimize adverse environmental impact.

We have integrated consolidation of buying and transporting merchandise through our large distribution centers into our model as opposed to being delivered in small lots to our various stores by vendors, increasing deployment of vehicles using greener fuel; continually increasing use of solar energy; fresh water conservation practices viz. use of sewage treatment plants, waste water recycling, rain water harvesting; responsible disposal of plastic waste and electronic waste; choice of sustainable building materials as few major initiatives that help us conserve key resources. We also have a very large installation of an IOT ecosystem that monitors many of our energy consuming equipment and recommends basis alerts on early warnings of possible breakdowns and energy conservation possibilities.

Our first few steps on Sustainability have been to identify a few key ideas and go ahead and implement them. We are now in the process of building systems to measure, monitor and then define and design the direction on other aspects of sustainability. Our belief is that Sustainability has to be intrinsic to our business model. Unless there is an economic model to Sustainability, it won't last too long. The Sustainability Matrix that we have defined for ourselves is the culmination of that deliberation and crystalisation of the direction we want to take to achieve our goals. In order to achieve these targets, we have established management systems which entail regular monitoring of KPIs, development of an environmental management plan and reviewing progress on a regular basis.

We have appointed a Sustainability Officer who is responsible for periodic review of material issues, scanning the external environment for evolving sustainability trends and regulations, monitor the progress on sustainability targets and facilitating in implementing sustainability initiatives. It is our firm belief that a far more sustainable world for the future will be led by a congruence of efforts – regulatory, economic, best-in-class practices by our company, our suppliers and most importantly by our shoppers through the choices they make while shopping with us.

We strive to obtain Green Building Certification for our stores under Indian Green Building Council (IGBC) or US Green Building Council (USGBC). This year we have further obtained Gold Certified Green Building Certification for 53 additional buildings; taking our total to 152 buildings. This certification is issued by the Indian Green Building Council (IGBC) for 148 of our buildings and U.S Green Building Council (USGBC) for 4 of our buildings. We have thus far obtained 1 Platinum, 150 Gold and 1 Silver certifications in this regard.

Green building refers to both a structure and the application of processes that are environmentally responsible and resource-efficient throughout a building's life cycle: from planning to design, construction, operation, maintenance, renovation and demolition.

There are several factors which are considered for awarding this certification. We have taken following initiatives under this certification to follow environmentally friendly practices:

- **Energy conservation**
  - Renewable Energy Usage: We have installed solar panels on roof tops at existing and new stores. 145 sites have solar panels installed on their roof tops and 1 Carport (Solar Panels above Car Parking) is installed with a total commissioned capacity of 17.4 MW. Collectively, 17.1% of our total power requirement at these stores was met through Solar Power. Subject to on-ground feasibility, it is our endeavor to ensure that all our new premises have a solar plant installed. In addition, we have carried out a feasibility study for all our existing non-solar stores and distribution centers to retrofit a solar plant. Thus far we have added an installed capacity of 2.0 MW in 11 existing stores and distribution centers.
  - Energy efficient lightings: For conservation of energy we use LED lighting fixtures and have also tried usage of solar tubes at one of our stores.
  - Use of BEE 5-Star Equipment's: The Company uses BEE 5-Star rated split air Conditioners which consumes less energy in comparison to conventional air- Conditioners.
- **Water conservation:**

  Water is a critical resource to conserve. To reduce fresh water requirements, we have taken various initiatives like

  - Installation of water efficient fixtures in all its green buildings.
  - 113 Sewage Treatment Plants with a cumulative capacity of 1,175 Kilo liters of water per day are installed across our premises to treat and recycle waste water for flushing. 36.0% of our overall water needs at these stores was met through recycled water
  - We estimate to have reduced usage of 70,452 kilo liters of fresh water in our operations at these 113 premises by recycling treated water
  - Development of Rainwater Harvesting system with 267 pits / tanks that has an estimated capacity of 6,675 cubic meters per day
  - We have also started using Pressure Washers at our premises. Water is released with pressure from the nozzles of this equipment which helps in efficient cleaning at significantly lower water consumption. Further, the equipment also has an integrated auto-stop system which enhances energy efficiency.
- **CFC-free refrigerants:** We use CFC free refrigerants

in Air–conditioning equipment, which reduces release of CFCs in atmosphere which is one of the major contributors for greenhouse gases.

- **Use of Sustainable materials for construction:** Sustainability is by design for construction of stores. We encourage local sourcing and use of AAC blocks with Recycled content in place of conventional building materials.

- **Ready Mix Concrete:** We strive to procure RMC from a location which is close to our site, reducing its transportation and thus emissions. Additionally, we encourage usage of fly-ash (within permitted limits) in RMC which is used in construction of building.

3. **Does the Company identify and assess potential environmental risks? Y/ N**
   ASL assesses the potential impacts of its operations on the environment through implementation of the Environment Policy.

4. **Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if yes, whether any environmental compliance report is filed?**
   We do not have any projects registered under Clean Development Mechanism.

5. **Has the Company undertaken any other initiatives on– clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.**
   Please refer to the "Energy Conservation" section of question 2 of Principle 6 on page 88.

Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

1. **Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:**
   ASL is a shareholder of Retailers Association of India (RAI).

2. **Have you advocated/ lobbied through above associations for the advancement or improvement of public good? Yes/ No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)**
   ASL understands the improvement and advancements of the industry in interest of public good. Our endeavor is to co-operate with all Government bodies and policy makers in this regard.

Principle 8: Businesses should support inclusive growth and equitable development

1. **Does the Company have specified programmes / initiatives / projects in pursuit of the policy related to Principle 8? If yes details thereof.**
   Please refer to question 3 of Principle 4 on page 84.

2. **Are the programmes / projects undertaken through in-house team / own foundation/ external NGO / government structures / any other organization?**
   We have a large internal team lead by our Head of CSR to manage all our programmes. Further, we have a team of 14 Programme Managers and Associates to focus on each vertical within our interventions. We also collaborate with DMart Foundation, Expert Partners and NGOs for some of our initiatives.

3. **Have you done any impact assessment of your initiative?**
   The dedicated in-house team monitors the number of beneficiaries impacted by the Company's CSR initiatives and the same is presented to the CSR Committee periodically. We also periodically carry out an impact assessment of our programmes through reputed and independent third party firms that specialize in this area. The same is presented to the CSR Committee for their consideration.

   Impact assessments for below mentioned CSR projects were carried out by the Company:

   1. Establishment of specialty hospital for treating mouth & throat Cancer (CanCare Trust)
   2. Promoting Sports (Olympic Gold Quest–OGQ)
   3. Coaching Courses for JEE & NEET for Govt. School students (Dakshana India Educational Trust)
   4. COVID-19 relief project

   These reports are available on the Company's website: https://www.dmartindia.com/investor-relationship

4. **What is your company's direct contribution to community development projects amount in INR and the details of the projects undertaken.**

The Company has contributed ₹29.13 crores during the FY 2021-22 towards community development projects. Further, ₹2.16 crores has been transferred to Unspent CSR Account as per section 135(6). The details of these projects are mentioned in Annexure IV of the Directors Report.

5. **Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.**
   We conduct post impact assessment for all our CSR initiatives which help us understand the effectiveness of these programmes. Based on the outcome of these assessments, the Company plans corrective measures wherever necessary.

Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner

1. **What percentage of customer complaints/consumer cases are pending as on the end of financial year.**
   There are 143 ongoing consumer complaints as on 31st March, 2022 of which 94 pertain to charging for carry bags.

2. **Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes / No / N.A. / Remarks (additional information)**
   The Company is a national supermarket chain with focus on value retailing. Majority of the products are procured from reputed third party vendor/ manufacturers/ distributors which are directly sold to the customer. However, we also procure some goods from other vendors which are repacked at our locations.
   Hence it is our constant endeavor to engage with our entire vendor ecosystem and we seek to ensure that all our vendors adhere to proper labeling indicating content, safety and handling of the products which we sell.

3. **Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behavior during the last five years and pending as on end of financial year.**
   There is one case pending before the judicial authorities for trademark infringement since March 7, 2017.

4. **Did your company carry out any consumer survey / consumer satisfaction trends?**
   Customer satisfaction is one of the key objectives of our business operations. Our store personnel interact with customers frequently to understand their experience and take their feedback on our services. This helps us to improve our service quality and enhance customer satisfaction. We also encourage our customers to share their valuable feedback with us and have made available several channels which they can use to reach us. Some of those are:

   - Customer Care Desk at each store
   - Feedback/ Complaints Register at stores
   - Feedback section of our corporate website
   - Central customer care help line number
   - Electronic mail

Independent Auditor's Report

To the Members of
Avenue Supermarts Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of Avenue Supermarts Limited ("the Company"), which comprise the Balance sheet as at March 31, 2022, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Standalone Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements for the financial year ended March 31, 2022. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the standalone financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the standalone financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying standalone financial statements.

DMart

Key audit matters	How our audit addressed the key audit matter
Assessment of impairment of investment in subsidiary: Avenue E-Commerce Limited ("AEL") ***(as described in note 1.f of the standalone financial statements)***	
The Company has an investment amounting to ₹492.76 crore as at March 31, 2022 in its subsidiary Avenue E-Commerce Limited. This subsidiary commenced business six years back and has had continued losses, which provides an indicator for impairment in the investment. Management has used external specialist to support the recoverable amounts of its investment based on fair market value of equity shares of AEL as at March 31, 2022 after taking into consideration the potential impact of COVID 19. We determined this area as a key audit matter because of the judgmental factors involved in testing for impairment and the significant carrying value of the investment.	Our audit procedures in respect of assessment impairment of Investment in Avenue E-Commerce Limited included the following: We assessed the Company's valuation methodology applied in determining the fair market value of equity shares. In making this assessment, we evaluated the objectivity and independence of Company's specialists involved in the process; We involved valuation expert to assist in evaluating the key inputs along with comparable transaction multiples of peers of the Company available in the public domain and discount rate on multiples considered for valuation purpose; We obtained and read the audited financial statements of the subsidiary to determine the net worth, cash flows and other financial indicators; We also assessed the Company's disclosures concerning this in Note 1.f on significant accounting estimates and judgements and Note 6 of Investments to the standalone financial statements.
Inventory existence and allowance for inventory ***(as described in note 1.j and 1.r of the standalone financial statements)***	
As at March 31, 2022, the carrying amount of inventories amounted to ₹2,586.89 crore after considering allowances for Inventory towards shrinkages and slow moving inventory of ₹20.94 crore. These inventories are held at the stores and distribution centres of the Company. The management undertakes the physical verification of inventory at periodic intervals during the year and shrinkages if any are recorded in the books. Basis the actual shrinkages recorded, the management estimates the expected allowance for Inventory shrinkage from the date of the last physical verification till the balance sheet date. Further, there are a number of judgements required in assessing the appropriate level of allowance for slow moving inventory. Such judgements include management's expectations of forecast inventory demand, product expiry dates and plans to dispose of inventories that are close to expiry. Considering the widespread inventory of the Company and the judgements applied for determining the allowance, we consider the existence and allowance for inventories to be a key audit matter.	Our procedures over existence and allowance for inventory included the following: We obtained an understanding, evaluated the design, and tested the operating effectiveness of controls that the Company has in relation to the inventory count process and allowance for inventory; We performed testing on the Company's controls over the inventory count process. In testing these controls, we observed the inventory count process at selected store and distribution centres on a sample basis, inspected the results of the inventory count and confirmed variances were accounted for and approved by management. Assessed the stock shrinkage provision by assessing the level of inventory write downs during the period and applying the shrinkage rate as determined location wise to the year end stock. We tested on a sample basis the shrinkage rate used to calculate the provision for each store and distribution center. We evaluated the assumptions made by management, and particularly the key assumption that in assessing stock obsolescence provisions through an analysis of inventory items by category and age and the level of inventory write downs in these categories during the period We assessed the Company's disclosures concerning this in Note 1.j and 1.r on significant accounting estimates and judgements and Note 9 Inventories to the standalone financial statements.

Key audit matters	How our audit addressed the key audit matter
Capital expenditure in respect of land and buildings ***(as described in note 1.c and 2 of the standalone financial statements)***	
The Company has incurred significant expenditure on purchase/ construction of land and building as reflected by the total value of additions in property, plant and equipment and capital work in progress in notes 2 in the standalone financial statements. The Company is in the process of constructing new stores across locations for which land has been purchased and buildings are being constructed. These stores take substantial period of time to get ready for its intended use. We considered capital expenditure in respect of land and building as a Key audit matter due to significance of amount incurred on such items during the year.	Our audit procedures included the following: We obtained understanding, evaluated the design and tested the operating effectiveness of controls related to capital expenditure of land and buildings. We obtained the list of land purchased during the year and traced the amounts of capitalization with the title deeds and traced the expenses capitalized along with the land cost to the underlying invoices. For samples selected, we obtained the approvals of the authorized signatory for the purchase of land. We performed control testing on a sample basis for each element of capitalized costs of building and reconciliation of material performed by management including verification of underlying supporting evidence and understanding nature of the costs capitalized. We compared the total cost of addition of sample stores with management budgets. We obtained understanding on management assessment relating to progress of projects.

We have determined that there are no other key audit matters to communicate in our report.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

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Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements for the financial year ended March 31, 2022 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by Section 143(3) of the Act, we report that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

(c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

(d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

(e) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act;

(f) With respect to the adequacy of the internal financial controls with reference to these standalone financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

(g) In our opinion, the managerial remuneration for the year ended March 31, 2022 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 35 to the standalone financial statements;

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

iv. a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

c) Based on such audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

v. No dividend has been declared or paid during the year by the Company.

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per Sudhir Soni
Partner
Membership No.: 41870
UDIN: 22041870AIZDFW7822

Mumbai; May 14, 2022

Annexure 1

to the Independent Auditor's Report of even date on the Standalone Financial Statements of Avenue Supermarts Limited

Referred to in Paragraph 1 under the hearing "Report on other legal and regulatory requirements" of our report of even date:

In terms of the information and explanations sought by us and given by the company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment

(B) The Company has maintained proper records showing full particulars of Intangible assets

(b) All fixed assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noted on such verification.

(c) The title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease arrangement are duly executed in favour of the lessee) are in held in the name of the Company.

(d) The Company has not revalued its Property, Plant and Equipment (including Right-of-use assets) or intangible assets during the year ended March 31, 2022.

(e) There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year. In our opinion the coverage and the procedure of such verification by the management is appropriate. Discrepancies on such physical verification were less than 10% in aggregate for each class of inventory and have been properly dealt with in the books of account.

(b) As disclosed in note 48 to the financial statements, the Company has been sanctioned working capital limits in excess of Rs. five crores in aggregate from banks during the year on the basis of security of current assets of the Company. Based on the records examined by us in the normal course of audit of the financial statements, the quarterly returns/statements filed by the Company with such banks and financial institutions are in agreement with the books of accounts of the Company.

(iii) (a) During the year the Company has not provided loans, advances in the nature of loans, stood guarantee or provided security to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(a) of the Order is not applicable to the Company

(b) During the year the investments made in companies, firms, Limited Liability Partnerships or any other parties are not prejudicial to the Company's interest. The Company has not provided guarantees, provided security and granted loans and advances to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(b) of the Order is not applicable to the Company

(c) The Company has not granted loans and advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(c), (d), (e) and (f) of the Order is not applicable to the Company.

(iv) The Company has not given any no loans, guarantees, security to director / to a Company in which director is interested to which section 185 of the Companies Act, 2013 apply and hence not commented upon. Further, according to the information and explanation given to us, provision of section 186 of the Companies Act 2013 in respect of investments have been complied with by the Company.

(v) The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Companies Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.

(vi) The Central Government has not specified the maintenance of cost records under Section 148(1) of the Companies Act, 2013, for the products of the Company.

(vii) (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including goods and service tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other statutory dues applicable to it. According to the information and explanations given to us and based on audit procedures performed by us, no undisputed amounts payable in respect of these statutory dues were outstanding, at the year-end, for a period of more than six months from the date they become payable.

(b) The dues of goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, cess, and other statutory dues have not been deposited on account of any dispute, are as follows:

Name of the Statute	Nature of Dues	Unpaid amount involved (₹ in crore) *	Period to which the amount relates	Forum where dispute is pending
Finance Act, 1994	Service tax	0.52	2008-2013	Commissioner of Service tax
Gujarat Value Added Tax Act, 2003	Value added tax	0.15	2014-2015	Joint Commercial Tax Commissioner
Gujarat Value Added Tax Act, 2003	Value added tax	1.21	2016-2017 2017-2018	Deputy Commissioner of Commercial Tax
Maharashtra Value Added Tax Act, 2002	Value added tax	2.69	2011-2012 2017-2018	Joint Commercial Tax Commissioner
Maharashtra Municipal Corporation Act	Local body tax	1.34	2014-2015 to 2017-18	Commissioner
Madhya Pradesh Value Added Tax Act, 2002	Entry tax	0.37	2015-2016	Deputy Commissioner of Commercial Tax
Madhya Pradesh Value Added Tax Act, 2002	Value added tax	0.14	2016-2017	Deputy Commissioner of Commercial Tax
Income Tax Act, 1961	Late Deduction of TDS	2.50	2019-2020	Commissioner of Income Tax Appeal
Income Tax Act, 1961	Short Deduction/Late Deduction of TDS	0.12	2007-2008 to 2014-2015	Assessing Officer
Income Tax Act, 1961	Income tax	0.01	2017-2018	Assistant Commissioner of Income Tax

* The unpaid amount mentioned above is net of ₹1.30 crore paid under protest

(viii) The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.

(ix) (a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.

(b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(c) The Company did not have any term loans outstanding during the year hence, the requirement to report on clause (ix)(c) of the Order is not applicable to the Company.

(d) The Company did not raise any funds during the year hence, the requirement to report on clause (ix)(d) of the Order is not applicable to the Company.

(e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.

(f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries. Hence, the requirement to report on clause (ix)(f) of the Order is not applicable to the Company.

(x) (a) The Company has not raised any money during the year by way of initial public offer / further public offer (including debt instruments) hence, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.

(b) The Company has not made any preferential allotment or private placement of shares /fully or partially or optionally convertible debentures during the year under audit and hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company,

(xi) (a) No fraud by the Company or no material fraud on the Company has been noticed or reported during the year.

(b) During the year, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed by cost auditor/ secretarial auditor or by us in Form ADT – 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) We have taken into consideration the whistle blower complaints received by the Company during the year while determining the nature, timing and extent of audit procedures.

(xii) The Company is not a nidhi Company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii)(a), (b) and (c) of the Order is not applicable to the Company.

(xiii) Transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.

(xiv) (a) The Company has an internal audit system commensurate with the size and nature of its business.

(b) The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.

(xv) The Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence requirement to report on clause 3(xv) of the Order is not applicable to the Company.

(xvi) (a) The provisions of section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause (xvi)(a) of the /Order is not applicable to the Company.

(b) The Company is not engaged in any Non-Banking Financial or Housing Finance activities. Accordingly, the requirement to report on clause (xvi)(b) of the Order is not applicable to the Company.

(c) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi) of the Order is not applicable to the Company.

(d) There is no Core Investment Company as a part of the Group, hence, the requirement to report on clause 3(xvi)(d) of the Order is not applicable to the Company.

(xvii) The Company has not incurred cash losses in the current financial year. The Company has not incurred cash losses in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.

(xix) On the basis of the financial ratios disclosed in note 47 to the standalone financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) (a) In respect of other than ongoing projects, there are no unspent amounts that are required to be transferred to a fund specified in Schedule VII of the Companies Act (the Act), in compliance with second proviso to sub section (5) of section 135 of the Act. This matter has been disclosed in note 36 to the standalone financial statements.

(b) All amounts that are unspent under section (5) of section 135 of Companies Act, pursuant to any ongoing project, has been transferred to special account in compliance of with provisions of sub section (6) of section 135 of the said Act. This matter has been disclosed in note 36 to the standalone financial statements.

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per Sudhir Soni
Partner
Membership No.: 41870
UDIN: 22041870AIZDFW7822

Mumbai; May 14, 2022

Annexure 2

the Independent Auditor's Report of even date on the Standalone Financial Statements of Avenue Supermarts Limited

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to standalone financial statements of Avenue Supermarts Limited ("the Company") as of March 31, 2022 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to these standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, as specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to these standalone financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to these standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls with reference to these standalone financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to these standalone financial statements.

Meaning of Internal Financial Controls With Reference to these Standalone Financial Statements

A company's internal financial controls with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to standalone financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls With Reference to Standalone Financial Statements

Because of the inherent limitations of internal financial controls with reference to standalone financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to standalone financial statements to future periods are subject to the risk that the internal financial control with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per Sudhir Soni
Partner
Membership No.: 41870
UDIN: 22041870AIZDFW7822

Mumbai; May 14, 2022

Standalone Balance Sheet

as at 31st March, 2022

(₹ in crores)

	Notes	As at 31st March, 2022	As at 31st March, 2021
Assets			
Non-current assets			
(a) Property, plant and equipment	2	7,576.62	5,772.65
(b) Capital work-in-progress	2	1,073.14	1,006.21
(c) Right-of-use assets	3	1,146.48	847.25
(d) Investment properties	4	96.11	91.49
(e) Intangible assets	5	9.52	9.45
(f) Financial assets			
(i) Investments	6	532.31	402.30
(ii) Other non-current financial assets	7	1,258.59	1,108.52
(g) Income tax assets (net)		0.70	0.71
(h) Other non-current assets	8	359.35	446.92
Total non-current assets		**12,052.82**	**9,685.50**
Current assets			
(a) Inventories	9	2,586.89	2,167.33
(b) Financial assets			
(i) Trade receivables	10	230.86	72.10
(ii) Cash and cash equivalents	11	83.45	181.19
(iii) Bank balances other than cash and cash equivalents	12	200.86	1,250.80
(iv) Other current financial assets	13	107.13	167.86
(c) Other current assets	14	141.95	121.61
Total current assets		**3,351.14**	**3,960.89**
Total assets		**15,403.96**	**13,646.39**
Equity and liabilities			
Equity			
a) Equity share capital	15	647.77	647.77
b) Other equity	16	13,276.34	11,657.51
Total equity		**13,924.11**	**12,305.28**
Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(ia) Lease liability	3	320.31	216.92
(ii) Other non-current financial liabilities	17	0.41	0.44
(b) Deferred tax liabilities (net)	18	64.84	51.90
Total non-current liabilities		**385.56**	**269.26**
Current liabilities			
(a) Financial liabilities			
(ia) Lease liability	3	95.63	78.61
(ii) Trade payables due to -	19		
Micro and small enterprises		29.13	19.97
Other than micro and small enterprises		502.08	545.57
(iii) Other current financial liabilities	20	270.42	255.26
(b) Current tax liabilities (Net)		111.35	112.66
(c) Other current liabilities	21	52.29	37.58
(d) Provisions	22	33.39	22.20
Total current liabilities		**1,094.29**	**1,071.85**
Total equity and liabilities		**15,403.96**	**13,646.39**
Summary of significant accounting policies	1		

The accompanying notes are an integral part of these standalone financial statements

As per our report of even date

For and on behalf of Board of Directors of
Avenue Supermarts Limited

For **S R B C & CO LLP**
Chartered Accountants
ICAI firm registration number 324982E/E300003

Ignatius Navil Noronha
Managing Director and
Chief Executive Officer
DIN: 01787989

Ramakant Baheti
Whole-time Director and
Group Chief Financial Officer
DIN: 00246480

per **Sudhir Soni**
Partner
Membership No.: 41870

Niladri Deb
Chief Financial Officer

Ashu Gupta
Company Secretary

Thane, 14th May, 2022

Thane, 14th May, 2022

Statement of Standalone Profit and Loss

for the year ended 31st March, 2022

(₹ in crores)

	Notes	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Income			
Revenue from operations	23	30,352.50	23,787.20
Other income	24	140.87	208.90
Total income		**30,493.37**	**23,996.10**
Expenses			
Purchase of stock-in-trade		26,472.23	20,614.23
Changes in inventories of stock-in-trade	25	(419.56)	(257.90)
Employee benefits expense	26	548.23	495.13
Finance costs	27	39.60	34.48
Depreciation and amortisation expense	28	421.06	371.36
Other expenses	29	1,250.08	1,194.01
Total expenses		**28,311.64**	**22,451.31**
Profit before tax		2,181.73	1,544.79
Tax expense			
Current tax	30	539.55	389.35
Deferred tax charge/(credit)		12.94	3.70
Adjustment of tax related to earlier years		13.07	(13.57)
Total tax expenses		**565.56**	**379.48**
Net profit after tax		1,616.17	1,165.31
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Re-measurements loss on defined benefit plans	43	(4.28)	(1.92)
Less : Income tax effect		1.08	0.48
Net other comprehensive income not to be reclassified to profit or loss in subsequent year		(3.20)	(1.44)
Total comprehensive income for the year		**1,612.97**	**1,163.87**
Earnings per equity share of ₹ 10 each: (in ₹)	39		
Basic		24.95	17.99
Diluted		24.75	17.86
Summary of significant accounting policies	1		

The accompanying notes are an integral part of these standalone financial statements

As per our report of even date

For and on behalf of Board of Directors of
Avenue Supermarts Limited

For **S R B C & CO LLP**
Chartered Accountants
ICAI firm registration number 324982E/E300003

Ignatius Navil Noronha
Managing Director and
Chief Executive Officer
DIN: 01787989

Ramakant Baheti
Whole-time Director and
Group Chief Financial Officer
DIN: 00246480

per **Sudhir Soni**
Partner
Membership No.: 41870

Niladri Deb
Chief Financial Officer

Ashu Gupta
Company Secretary

Thane, 14th May, 2022

Thane, 14th May, 2022

Statement of Standalone Cash Flows

for the year ended 31st March, 2022

(₹ in crores)

	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Cash flow from operating activities:		
Profit before tax	2,181.73	1,544.79
Adjustments for:		
Depreciation and amortisation expenses	421.06	371.36
Finance cost	39.60	34.48
Interest income	(103.77)	(178.13)
Profit on sale of investments	(3.02)	(2.09)
Expense on employee stock option scheme	6.09	6.05
Rent income	(27.51)	(16.18)
Loss on disposal of property, plant and equipment (net)	2.08	1.61
	334.53	**217.10**
Operating profit before working capital changes	**2,516.26**	**1,761.89**
Adjustments for:		
Increase /(decrease) in trade payables	(34.33)	119.57
Increase in provisions	6.91	5.95
Increase /(decrease) in other current financial liabilities	(5.78)	43.40
Increase in other current liabilities	14.71	19.03
Decrease in other non-current financial liabilities	(0.03)	(0.03)
Increase in trade receivables	(158.76)	(23.57)
Increase in inventories	(419.56)	(257.90)
Increase in other non-current assets	(0.15)	(1.13)
Increase in other non-current financial assets	(14.66)	(24.47)
Increase in bank balances other than cash and cash equivalents	(0.06)	(0.02)
(Increase)/decrease in other current assets	(20.34)	10.66
Increase in other current financial assets	(16.21)	(11.80)
	(648.26)	**(120.31)**
Cash flow from operating activities	1,868.00	1,641.58
Direct taxes paid (net of refunds)	(552.84)	(256.11)
Net cash flow from operating activities	**1,315.16**	**1,385.47**
Cash flow from investing activities:		
Proceeds from disposal of property, plant and equipment	1.49	2.20
Realisation from Fixed Deposits of Qualified Institutional Placement (QIP) proceeds	1,050.00	783.00
Interest received	39.04	125.93
Gain on sale of investments	3.02	2.09
Rent income received	27.51	16.21
Purchase of property, plant and equipment / intangible assets / investment properties	(2,283.20)	(1,969.91)
Investments	(130.01)	(115.00)
Net cash flow used in investing activities	**(1,292.15)**	**(1,155.48)**
Cash flow from financing activities:		
Proceeds from short term borrowings	248.00	200.00
Repayment of short term borrowings	(248.00)	(203.73)
Repayment of non convertible debentures	-	(34.00)
Payment of principal portion of lease liabilities	(81.49)	(66.08)
Interest paid on lease liability	(38.05)	(30.37)
Interest paid	(1.21)	(6.07)
Cash flow used in financing activities	**(120.75)**	**(140.25)**

Statement of Standalone Cash Flows

for the year ended 31st March, 2022

(₹ in crores)

	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Net increase/(decrease) in cash and cash equivalent	(97.74)	89.74
Cash and cash equivalents at beginning of the year (including bank overdraft balances)	181.19	91.45
Cash and cash equivalents at end of the year	83.45	181.19
Cash and cash equivalents as per above comprises of the following		
Cash and cash equivalents (Refer Note : 11)	83.45	181.19
Balance as per statement of cash flows	83.45	181.19

The accompanying notes are an integral part of these standalone financial statements

Notes:

i) Reconciliation of borrowings

(₹ in crores)

	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Opening Balance		
Non- current borrowings (including current maturity)	-	34.00
Current borrowings	-	3.73
Movement of borrowings		
Cash Flow		
Non- current borrowings (including current maturity)	-	(34.00)
Current borrowings	-	(3.73)
Closing Balance		
Non- current borrowings (including current maturity)	-	-
Current borrowings	-	-

(ii) The cash flow statement has been prepared under the indirect method as set out in Indian Accounting Standard (Ind AS 7) statement of cash flows.

As per our report of even date

For and on behalf of Board of Directors of
Avenue Supermarts Limited

For **S R B C & CO LLP**
Chartered Accountants
ICAI firm registration number 324982E/E300003

Ignatius Navil Noronha
Managing Director and
Chief Executive Officer
DIN: 01787989

Ramakant Baheti
Whole-time Director and
Group Chief Financial Officer
DIN: 00246480

per **Sudhir Soni**
Partner
Membership No.: 41870

Niladri Deb
Chief Financial Officer

Ashu Gupta
Company Secretary

Thane, 14th May, 2022

Thane, 14th May, 2022

Statement of Changes in Equity

for the year ended 31st March, 2022

A. Equity share capital

	Notes	No. of Shares	₹ in crores
Equity Share of ₹ 10 each issued, subscribed and fully paid	15		
As at 1st April, 2020		647,774,691	647.77
Issue of Share Capital		-	-
As at 31st March, 2021		647,774,691	647.77
Issue of Share Capital		-	-
As at 31st March, 2022		**647,774,691**	**647.77**

B. Other equity

(₹ in crores)

	Notes	Reserves and Surplus				Total
		Securities premium	Share options outstanding	Debenture redemption reserve	Retained earnings	
Balance as at 1st April, 2020		5,994.57	25.82	8.50	4,458.86	10,487.75
Profit for the year		-	-	-	1,165.31	1,165.31
Other comprehensive income for the year		-	-	-	(1.44)	(1.44)
Share option expense	42	-	5.89	-	-	5.89
Transfer from debenture redemption reserve		-	-	(8.50)	8.50	-
Balance as at 31st March, 2021		**5,994.57**	**31.71**	**-**	**5,631.23**	**11,657.51**
Profit for the year		-	-	-	1,616.17	1,616.17
Other comprehensive income for the year		-	-	-	(3.20)	(3.20)
Share option expense	42	-	5.86	-	-	5.86
Balance as at 31st March, 2022		**5,994.57**	**37.57**	**-**	**7,244.20**	**13,276.34**

Nature and purpose of reserve

Securities premium

Securities premium is used to record the premium on issue of shares. The reserve is utilised in accordance with provisions of the Companies Act 2013.

Share options outstanding account

The share options outstanding is used to recognise the grant date fair value of options issued to employees under Avenue Supermarts Limited Employee Stock Option Scheme, 2016.

Debenture redemption reserve

The Company is required to create a debenture redemption reserves out of profit which is available for the purpose of redemption of debentures in accordance with provisions of Companies Act 2013.

The accompanying notes are an integral part of these standalone financial statements

As per our report of even date

For and on behalf of Board of Directors of
Avenue Supermarts Limited

For **S R B C & CO LLP**
Chartered Accountants
ICAI firm registration number 324982E/E300003

Ignatius Navil Noronha
Managing Director and
Chief Executive Officer
DIN: 01787989

Ramakant Baheti
Whole-time Director and
Group Chief Financial Officer
DIN: 00246480

per **Sudhir Soni**
Partner
Membership No.: 41870

Niladri Deb
Chief Financial Officer

Ashu Gupta
Company Secretary

Thane, 14th May, 2022

Thane, 14th May, 2022

Notes

to the Standalone Financial Statements for the year ended 31st March, 2022

Corporate information

Avenue Supermarts Limited ('the Company') is a company limited by shares and is domiciled in India. The Company's registered office is at Anjaneya, Opp. Hiranandani Foundation School, Powai, Mumbai, Maharashtra India 400076. The Company is primarily engaged in the business of organised retail and operates supermarkets under the brand name of "D-Mart". Its equity shares are listed in India on Bombay Stock Exchange Limited and National Stock Exchange of India Limited.

The standalone financial statements have been recommended for approval by the audit committee and is approved and adopted by the Board in their meeting held on Thane, 14th May, 2022

1. Summary of significant accounting policies

(a) Basis of preparation

The standalone financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 ('the Act') read with the Companies (Indian Accounting standards) Rules, 2015 and other relevant provisions of the Act.

The accounting policies are applied consistently to all the periods presented in the standalone financial statements.

(i) Historical cost convention

The standalone financial statements have been prepared on a historical cost basis, except for the following:

1) certain financial assets and liabilities that are measured at fair value;

2) defined benefit plans - plan assets measured at fair value;

3) share based payments.

(ii) Current non-current classification

The Company presents assets and liabilities in the balance sheet based on current and non-current classification. As asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose or trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period. The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

(iii) Rounding off amounts

The standalone financial statements are presented in ₹ and all values are rounded to the nearest ₹ 0.00 crores, except when otherwise indicated.

(b) Investment in subsidiaries

Investments in subsidiaries are accounted at cost in accordance with Ind AS 27.

(c) Property, plant and equipment (PPE)

Freehold land is carried at historical cost. All other item of property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of items.

Capital work-in-progress, property, plant and equipment is stated at cost, net of accumulated depreciation. Such cost includes the cost of replacing part of the property, plant and equipment and borrowing cost for long-term construction projects if the recognition criteria are met. When significant parts of property, plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when

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to the Standalone Financial Statements for the year ended 31st March, 2022

a major inspection is performed, its cost is recognised in the carrying amount of the property, plant and equipment as a replacement if the recognition criteria are satisfied. All other repairs and maintenance costs are recognised in profit or loss as incurred.

Capital work-in-progress comprises cost of property, plant and equipment (including related expenses), that are not yet ready for their intended use at the reporting date.

Subsequent costs are included in the assets carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Depreciation on property, plant and equipment

Depreciation is provided to the extent of depreciable amount on written down value method (except for leasehold land which is amortised over the period of lease) over the useful life of asset as assessed by the management and the same is similar to the useful lives as prescribed in Part-C of Schedule II to the Companies Act, 2013. Depreciation is charged on pro-rata basis for asset purchased / sold during the year.

The assets residual values, useful life and method of depreciation of PPE are reviewed and adjusted if appropriate, at the end of each reporting period.

(d) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.Intangible assets are amortised on a written down value basis over the economic useful life estimated by the management.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

Amortisation of intangible assets

Amortisation is provided on straight line method over the useful life of asset as assessed by the management and the same is similar to the useful lives as prescribed in Part-C of Schedule II to the Companies Act, 2013. Amortisation is charged on pro-rata basis for asset purchased / sold during the year.

Estimated useful life of assets are as follows:
Computer Software - 5 years
Trademarks - 5 - 10 years

(e) Investment properties

Investments in property that are not intended to be occupied substantially for use by, or in the operations of the Company, have been classified as investment property. Investment properties are measured initially at its cost including transaction cost and where applicable borrowing costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any. Subsequent cost are included in the assets carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Though the Company measures investment property using cost based measurement, the fair value of investment property is disclosed in the notes. Fair values are determined based on an annual evaluation performed by an accredited external independent valuer applying a valuation model recommended by the International Valuation Standards Committee.

The Company depreciates its investment properties over the useful life which is similar to that of Property, Plant and Equipment.

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is

Notes

to the Standalone Financial Statements for the year ended 31st March, 2022

expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of derecognition.

(f) Impairment of non financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account.

Impairment losses are recognised in the statement of profit and loss, except for properties previously revalued with the revaluation surplus taken to OCI.

For assets, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

(g) Leases

As per Ind AS 116 "Leases", the determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right-of-use the asset or assets, even if that right is not explicitly specified in an arrangement.

As a lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease.

Leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Company's general policy on the borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the Statement of Profit and Loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

Amortisation on right-of-use assets

Amortisation is provided on straight line method over the useful life of asset as assessed by the management. Amortisation is charged on pro-rata basis for asset purchased / sold during the year.

As a lessor

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying

Notes

to the Standalone Financial Statements for the year ended 31st March, 2022

amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases.

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

Ind AS 17 also contains similar requirements for recognition of lease rental income under operating leases. The Company has determined that it does not meet criteria for recognition of lease rental expense/ income on a basis other than straight-line basis.

(h) Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprises cash at banks and on hand and short term deposits with an original maturity of three months or less, which are subject to an insignificant risk of change in value. For the purpose of standalone financial statement of cash flow, cash and cash equivalent consists of cash and short term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

(i) Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method less provision for impairment.

(j) Inventories

Inventories are valued at lower of cost and net realizable value. Cost of inventories, comprise costs of purchase and other costs incurred in bringing the inventories to their present condition and location. Cost is determined by the weighted average cost method. Costs of purchased inventory are determined after deducting rebates and discounts. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated cost necessary to make the sale.

(k) Financial instruments

A Financial instrument is any contract that gives rise to a financial assets of one entity and a financial liability or equity instrument of another entity.

Financial asset

(i) Classification

The Company classifies its financial assets in the following measurement categories:

* those to be measured subsequently at fair value (either through other comprehensive income, or through the Statement of Profit and Loss), and

* those measured at amortised cost.

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in the Statement of Profit and Loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income. The Company reclassifies debt investments when and only when its business model for managing those assets changes.

(ii) Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through the Statement of Profit and Loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through Profit and Loss are expensed in the Statement of Profit and Loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt instruments:

Subsequent measurement of debt instruments depends on the Company's business model for

Notes

to the Standalone Financial Statements for the year ended 31st March, 2022

managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

* **Amortised cost**: A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the statement of profit and loss account. This category generally applies to trade and other receivables.

* Fair value through other comprehensive income (FVTOCI): A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

b) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the other comprehensive income (OCI). However, the Company recognises interest income, impairment losses & reversals and foreign exchange gain or loss in the statement of profit and loss account. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to statement of profit and loss account. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

* Fair value through profit and loss: FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorisation as at amortised cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortised cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Company has not designated any debt instrument as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognised in the P&L.

Equity instruments:

The Company subsequently measures all equity investments at fair value. Where the Company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to the Statement of Profit and Loss. Dividends from such investments are recognised in the Statement of Profit and Loss as other income when the Company's right to receive payments is established.

Changes in the fair value of financial assets at fair value through the Statement of Profit and Loss are recognised in other income / other expenses in the Statement of Profit and Loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

(iii) Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables only, the Company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

(iv) Derecognition of financial assets

A financial asset is derecognised only when

Notes

to the Standalone Financial Statements for the year ended 31st March, 2022

* the Company has transferred the rights to receive cash flows from the financial asset or

* retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the Company has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of the financial asset. In such cases, the financial asset is derecognised. Where the Company has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the Company has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

Financial liabilities

(i) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default insolvency or bankruptcy of the Company or the counterparty.

(ii) Trade and other payables

These amount represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. The amounts are unsecured. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

(iii) Borrowings and other financial liabilities

Borrowings and other financial liabilities are initially recognised at fair value (net of transaction costs incurred). Difference between the fair value and the transaction proceeds on initiation is recognised as an asset / liability based on the underlying reason for the difference. Subsequently all financial liabilities are measured at amortised cost using the effective interest rate method.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash transferred or liabilities assumed, is recognised in the Statement of Profit and Loss.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

(iv) Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition or construction of qualifying assets are capitalised during the period of time that is required to complete and prepare the asset for its intended use. Other borrowing costs are expensed in the period in which they are incurred.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

Borrowing cost consist of interest and other cost that an entity incurs in connection with borrowing of funds.

(v) Provisions and contingent liabilities

Provisions are recognised when the Company has a present legal or constructive obligation as a result of

Notes

to the Standalone Financial Statements for the year ended 31st March, 2022

past events, it is probable that an outflow of resources embodying economic benefit will be required to settle the obligation and the amount can be reliably estimated.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as finance cost.

Contingent Liabilities are disclosed in respect of possible obligations that arise from past events but their existence will be confirmed by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company or where any present obligation cannot be measured in terms of future outflow of resources or where a reliable estimate of the obligation cannot be made.

A contingent asset is disclosed, where an inflow of economic benefits is probable. An entity shall not recognise a contingent asset unless the recovery is virtually certain.

(l) **Revenue from Operations**

Revenue from operations is recognised to the extent that it is probable that economic benefit will flow to the Company and the revenue can be reliably measured regardless of when the payment is being made as per IND AS 115. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

Sale of goods

Revenue from sale of goods is recognised on delivery of merchandise to the customer, when the property in the goods is transferred for a price, and significant risks and rewards have been transferred and no effective ownership control is retained. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates. It is the Company's policy to sell its products to the end customers with a right of return within 7 days. Historical experience is used to estimate and provide for such returns at the time of sales.

The Company has generally concluded that it is the principal in its revenue arrangements, except for the agency services below, because it typically controls the goods or services before transferring them to the customer.

Principal versus agent consideration

The inventory of third party does not pass to the Company till the product is sold. At the time of sale of such inventory, the sales value along with the cost of inventory is disclosed seprately as sale of goods on approval basis and cost of goods sold on approval basis and forms part of Revenue in the Statement of Profit and Loss. Only the net revenue earned i.e. margin is recorded as a part of revenue.

Rental income

Rental income arising from operating lease on investment properties is accounted for on a straight line basis over lease terms unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases and is included in the Statement of profit or loss due to its operating nature.

Interest income

Interest income is recognised based on time proportion basis considering the amount outstanding and rate applicable (EIR). Interest income in included in the Other Income in the statement of Profit and Loss.

(m) **Retirement and other employee benefits**

(i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

Retirement benefit in the form of provident fund is a defined contribution plan. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognises contribution payable to the provident fund scheme as an expense, when an employee renders the related services. If the Contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognised as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the

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to the Standalone Financial Statements for the year ended 31st March, 2022

balance sheet date,then excess is recognised as an asset to the extent that the prepayment will lead to a reduction in future payment or a cash refund.

ii) Other long-term employee benefit obligations

The liabilities for earned leave and sick leave that are not expected to be settled wholly within 12 months are measured at the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the Government Securities (G-Sec) at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in the Statement of Profit and Loss.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

iii) Post-employment obligations

Defined benefit plans

Gratuity

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuary using the projected unit credit method. The present value of the defined benefit obligation denominated in INR is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the Statement of Profit and Loss. Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in the Statement of profit or loss as past service cost.

Share based payment

Equity settled share based payments to employees and other providing similar services are measured at fair value of the equity instruments at grant date.

The fair value determined at the grant date of the equity-settled share based payment is expensed on a straight line basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Company revises its estimates of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any is, recongised in Statement of Profit and Loss such that the cumulative expenses reflects the revised estimate,with a corresponding adjustment to the shared option outstanding account.

No expense is recognised for options that do not ultimately vest because non market performance and/or service conditions have not been met.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

Expense relating to options granted to employees of the subsidiaries under the Company's share based payment plan, is recovered from the subsidiary. Such recovery is reduced from employee benefit expense.

(n) Foreign currency transactions

(a) Functional and presentation currency:

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates. The standalone financial statements are presented in INR, which is functional and presentational currency.

(b) Transaction and balances :

Transaction in currencies other than than entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transaction.

Exchange differences arising on settlement or translation of monetary items are recognised in the Statement of Profit and Loss.

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to the Standalone Financial Statements for the year ended 31st March, 2022

Non monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item.

(o) Income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that enacted or substantively enacted, at the reporting date in the countries where the Company operates and generates taxable income.

Deferred income tax is provided using the liability method on temporary differences arising between the tax bases of assets and liabilities and their carrying amount for financial reporting purpose at the reporting date. Deferred tax assets and liabilities are determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the asset is realised or the liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses, only if, it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are off set where the Company has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Current and deferred tax is recognised in the Statement of Profit and Loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively

(p) Earnings Per Share

Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to equity shareholder of the Company
- by the weighted average number of equity shares outstanding during the financial year

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

(q) Fair value measurement

The Company measures financial instrument at fair value at each Balance sheet date.

Fair value is the price that would be received to sell assets or paid to transfer a liability in an orderly transaction between market participant at the measurement date.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

1. Fair value of cash and deposits, trade and other receivables, trade payables, other current liabilities, short term loans from banks approximate their carrying amounts largely due to short term maturities of these instruments.

2. The fair values of non-current borrowings are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy due to the use of unobservable inputs, including own credit risk.

3. For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

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to the Standalone Financial Statements for the year ended 31st March, 2022

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

(r) Significant accounting judgement, estimates and assumption

The preparation of standalone financial statements requires the use of accounting estimates which by definition will seldom equal the actual results. Management also need to exercise judgement in applying the Company's accounting policies.

Share based payment

The Company initially measures the cost of equity settled transaction with employees using Black Scholes model to determine the fair value of the liability incurred. Estimating fair value for share-based payment transaction requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. The estimates also requires determination of the most appropriate inputs to the valuation model including expected life of the share option, volatility and dividend yield and making assumptions about them.For equity settled share based payment transaction, the liability needs to be re-measured at the end of each reporting period upto the date of settlement, with any changes in fair value recognised in the Statement of Profit and Loss. This requires a re-assessment of the estimates used at end of each reporting period. The assumption and models used for estimating the fair value for share based-payment transaction are disclosed in note no. 42.

Provision for inventory

The Company has calculated the provision for inventory basis the percentage as per historical experience for inventory lying from the last inventory count date to the reporting date.

Defined benefit plans (gratuity benefits)

The cost of the defined benefit gratuity plan and other post-employment medical benefits and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates.

Further details about gratuity obligations are given in note no. 43.

(s) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker being Managing Director of the Company. The Managing Director assesses the financial performance and position of the Company as a whole, and makes strategic decisions.

(t) Cash flow

The investing and financing activities in cash flow statement do not have a direct impact on current cash flows although they do affect the capital and asset structure of an entity. The Company has disclosed these transactions, to the extent material, in notes to cash flow statement.

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Notes

to the Standalone Financial Statements as at 31st March, 2022

2 Property, plant and equipment

(₹ in crores)

	Freehold land (Refer note : 2,6)	Buildings (Refer note : 1,5)	Leasehold improvement	Plant and equipment	Computers	Furniture and fixtures	Vehicles	Office equipment	Electrical installations	Total
Cost										
Balance as at 1st April, 2020	2,258.31	2,696.50	56.95	252.27	81.28	262.06	3.57	34.12	206.97	5,852.03
Additions	580.61	300.21	10.04	57.50	14.86	59.36	0.13	6.43	39.04	1,068.18
Reclassification	(26.62)	(57.47)	-	-	-	-	-	-	-	(84.09)
Disposals	0.12	0.12	-	2.53	0.48	4.31	0.12	1.12	0.83	9.63
Balance as at 31st March, 2021	**2,812.18**	**2,939.12**	**66.99**	**307.24**	**95.66**	**317.11**	**3.58**	**39.43**	**245.18**	**6,826.49**
Additions	800.67	910.44	18.93	130.28	28.48	96.21	-	10.43	76.29	2,071.73
Reclassification	43.81	-	-	-	-	-	-	-	-	43.81
Disposals	-	0.20	0.02	3.30	1.56	3.25	0.14	0.92	0.67	10.06
Balance as at 31st March, 2022	**3,656.66**	**3,849.36**	**85.90**	**434.22**	**122.58**	**410.07**	**3.44**	**48.94**	**320.80**	**8,931.97**
Depreciation										
Balance as at 1st April, 2020	-	374.05	30.46	91.16	57.23	117.47	1.82	21.82	97.32	791.33
Charge for the year	-	124.05	12.01	38.66	16.81	42.87	0.54	6.48	31.99	273.41
Reclassification	-	(5.09)	-	-	-	-	-	-	-	(5.09)
Disposals	-	0.06	0.01	1.85	0.44	1.82	0.09	0.90	0.64	5.81
Balance as at 31st March, 2021	**-**	**492.95**	**42.46**	**127.97**	**73.60**	**158.52**	**2.27**	**27.40**	**128.67**	**1,053.84**
Charge for the year	-	141.44	11.09	46.34	17.76	48.63	0.39	6.69	36.83	309.17
Reclassification	-	-	-	-	-	-	-	-	-	-
Disposals	-	0.08	0.02	2.60	1.39	2.13	0.12	0.81	0.51	7.66
Balance as at 31st March, 2022	**-**	**634.31**	**53.53**	**171.71**	**89.97**	**205.02**	**2.54**	**33.28**	**164.99**	**1,355.35**
Net book value										
Balance as at 31st March, 2021	**2,812.18**	**2,446.17**	**24.53**	**179.27**	**22.06**	**158.59**	**1.31**	**12.03**	**116.51**	**5,772.65**
Balance as at 31st March, 2022	**3,656.66**	**3,215.05**	**32.37**	**262.51**	**32.61**	**205.05**	**0.90**	**15.66**	**155.81**	**7,576.62**

Notes

to the Standalone Financial Statements as at 31st March, 2022

Note:

1 Building includes following amounts for construction under built operate and transfer (BOT) arrangement.

(₹ in crores)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Gross block	40.98	40.98
Net block	29.35	30.97

2 Freehold land includes ₹ 474.56 crores (31st March, 2021 : ₹ 425.02 crores) being property purchased, for which mutation is pending.

3 Details of Capital work in progress -

(₹ in crores)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Opening Balance	1,006.21	361.94
Addition during the year	1,242.42	1,089.35
Transfer/Adjustment during the year	(1,175.49)	(445.08)
Closing Balance	1,073.14	1,006.21

a) Capital work in progress ageing schedule

(₹ in crores)

Particulars	Less than 1 year	1- 2 years	2- 3 years	more than 3 years	Total
Project in progress	743.87	296.98	24.45	7.84	1,073.14
Project temporarily suspended	-	-	-	-	-
Balance as at 31st March, 2022	**743.87**	**296.98**	**24.45**	**7.84**	**1,073.14**
Project in progress	861.98	117.10	18.75	8.38	1,006.21
Project temporarily suspended	-	-	-	-	-
Balance as at 31st March, 2021	**861.98**	**117.10**	**18.75**	**8.38**	**1,006.21**

b) All the upcoming projects of the Company are within the timelines as estimated during the original plan and the actual cost of projects are within the total cost as estimated by the management of the Company as on 31st March, 2022.

4 Assets pledged as security for borrowings is disclosed under note 32.

5 Building includes Net book value of plant and equipment fitting of ₹ 22.06 crores (31st March, 2021 : ₹ 27.66 crores).

6 Freehold Land includes one property at Bhamti Nagar, Nagpur of ₹ 10.65 crores as at 31st March, 2022 (31st March, 2021: ₹ 10.65 crores) purchased by the company. The company has filed an Appeal before Deputy Director of Land Records (DDLR) at Nagpur thereby challenging the Order (by Virtue of which Ownership of the seller is affected) passed by Superintendent of Land Records. Title deed in respect of the said property is held in the name of the Avenue Supermarts Limited.

Notes

to the Standalone Financial Statements as at 31st March, 2022

3 Right-of-use assets

(₹ in crores)

	Land (Refer note: 1)	Buildings	Plant & equipment	Total
Cost				
Balance as at 1st April,2020	455.85	292.63	-	748.48
Additions	136.43	127.22	7.98	271.63
Reclassification	21.74	-	-	21.74
Balance as at 31st March, 2021	**614.02**	**419.85**	**7.98**	**1,041.85**
Additions	244.71	207.61	1.30	453.62
Reclassification	(45.80)	-	-	(45.80)
Disposals	-	7.77	-	7.77
Balance as at 31st March, 2022	**812.93**	**619.69**	**9.28**	**1,441.90**
Amortisation				
Balance as at 1st April,2020	22.24	79.25	-	101.49
Charge for the year	7.11	84.95	0.56	92.62
Reclassification	0.49	-	-	0.49
Balance as at 31st March, 2021	**29.84**	**164.20**	**0.56**	**194.60**
Charge for the year	9.81	97.37	0.91	108.09
Reclassification	(1.99)	-	-	(1.99)
Disposals	-	5.28	-	5.28
Balance as at 31st March, 2022	**37.66**	**256.29**	**1.47**	**295.42**
Net book value				
Balance as at 31st March, 2021	**584.18**	**255.65**	**7.42**	**847.25**
Balance as at 31st March, 2022	**775.27**	**363.40**	**7.81**	**1,146.48**

Note:

1 Right-of-use land includes following amounts paid as premium under built operate and transfer (BOT) arrangement

(₹ in crores)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Gross block	13.83	13.83
Net block	12.77	12.92

2 Lease liabilities

(₹ in crores)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Opening	295.53	242.42
Recognised during the year	239.95	149.56
Repaid during the year	(119.54)	(96.45)
Closing	**415.94**	**295.53**
Non current	320.31	216.92
Current	95.63	78.61

Notes

to the Standalone Financial Statements as at 31st March, 2022

The following are the amounts recognised in statement of profit and loss:

(₹ in crores)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Amortisation expense of right-of-use assets (Refer note : 28)	108.09	92.62
Interest expense on lease liabilities (Refer note : 27)	38.05	30.37
Expense relating to short-term leases (included in other expenses Refer note : 29)	0.78	1.21
Total	**146.92**	**124.20**

The Company had total cash outflows for leases of ₹ 119.54 crores (31st March, 2021 : ₹ 96.45 crores) & also had non-cash additions to right-of-use assets and lease liabilities of ₹ 208.91 crores (March 31, 2021 : ₹ 135.20 crores).

4 Investment properties

(₹ in crores)

		As at 31st March, 2022	As at 31st March, 2021
Cost			
	Opening balance	102.91	20.94
	Additions	8.27	19.62
	Reclassification	-	62.35
	Closing balance	**111.18**	**102.91**
Depreciation			
	Opening balance	(11.42)	(4.41)
	Charge for the year	(3.65)	(2.41)
	Reclassification	-	(4.60)
	Closing balance	**(15.07)**	**(11.42)**
	Net book value	**96.11**	**91.49**
	Information regarding income and expenditure of investment properties:		
(i)	Amounts recognised in profit or loss for investment properties		
	Rental income including contingent rent of ₹ NIL (Previous year ₹ NIL crores)	16.48	8.97
	Direct operating expenses from property that generated rental income	0.90	0.72
	Direct operating expenses from property that did not generate rental income	-	-
	Income from investment properties before depreciation	**15.58**	**8.25**
	Depreciation	3.65	2.41
	Income from investment properties	**11.93**	**5.84**
(ii)	Leasing arrangements		
	Certain investment properties are leased to tenants under long-term operating leases with rentals payable monthly. Minimum lease payments receivable under non-cancellable operating leases of investment properties are as follows:		
	Within one year	0.73	4.91
	Later than one year but not later than 5 years	-	-
	Later than 5 years	-	-
		0.73	**4.91**
(iii)	Fair value		
	Investment properties	432.35	384.46

Notes

to the Standalone Financial Statements as at 31st March, 2022

The Company has no restrictions on the realisability of its investment properties and no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements.

Estimation of fair value

The fair valuation is based on current prices in the active market for similar properties. The main inputs used are quantum, area, location, demand, restrictive entry to the complex, age of building and trend of fair market rent.

This valuation is based on valuations performed by a registered valuer as defined under rule 2 of Companies (Registered Valuers and Valuation) Rules, 2017. Fair valuation is based on replacement cost method. The fair value measurement is categorised in level 2 fair value hierarchy.

5 Intangible assets

(₹ in crores)

	Computer software	Trademarks	Total
Cost			
Balance as at 1st April, 2020	22.91	0.02	22.93
Additions	2.25	-	2.25
Disposals	-	-	-
Balance as at 31st March, 2021	**25.16**	**0.02**	**25.18**
Additions	3.88	-	3.88
Disposals	-	-	-
Balance as at 31st March, 2022	**29.04**	**0.02**	**29.06**
Amortisation			
Balance as at 1st April, 2020	11.73	0.01	11.74
Charge for the year *	3.99	-	3.99
Disposals	-	-	-
Balance as at 31st March, 2021	**15.72**	**0.01**	**15.73**
Charge for the year *	3.81	-	3.81
Disposals	-	-	-
Balance as at 31st March, 2022	**19.53**	**0.01**	**19.54**
Net book value			
Balance as at 31st March, 2021	**9.44**	**0.01**	**9.45**
Balance as at 31st March, 2022	**9.51**	**0.01**	**9.52**

* Trademarks Amortisation - includes amount less than a lakh

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to the Standalone Financial Statements as at 31st March, 2022

6 Investments

(₹ in crores)

	As at 31st March, 2022	As at 31st March, 2021
A. Investment in subsidiaries		
Unquoted equity shares		
i. Equity instruments at cost		
3,799,999 (31st March, 2021 : 3,799,999) shares of Align Retail Trades Private Limited (equity shares of ₹ 10 each)	34.34	34.34
16,666 (31st March, 2021 : 10,000) shares of Avenue Food Plaza Private Limited (equity shares of ₹ 10 each)	5.01	0.01
90,000 (31st March, 2021 : 90,000) shares of Nahar Seth Jogani Developers Private Limited (equity shares of ₹ 10 each)	0.09	0.09
100,000 (31st March, 2021 : 100,000) shares of Reflect Wholesale Retail Private Limited (equity shares of ₹ 10 each)	0.10	0.10
354,247,191 (31st March, 2021 : 292,864,191) shares of Avenue E-commerce Limited (equity shares of ₹ 10 each)	492.76	367.76
Total	**532.30**	**402.30**
B. Other investment		
Unquoted equity shares		
Equity instruments at cost		
10,000 (31st March, 2021 : Nil) shares of Retailer Association of India (equity shares of ₹ 10 each)	0.01	-
Total (B)	**0.01**	**-**
Total (A+B)	**532.31**	**402.30**
Aggregate amount of unquoted investments	532.31	402.30
Aggregate amount of impairment in the value of investment	-	-
Non-current	532.31	402.30

7 Other non-current financial assets

(₹ in crores)

	As at 31st March, 2022	As at 31st March, 2021
Rent deposits given		
- Related parties (Refer note: 31)	7.41	6.76
- Others	46.53	33.82
Other deposits	35.02	31.58
Margin money deposits with banks (held as lien by bank against bank guarantees)	0.97	0.93
Long term deposits with banks with maturity period more than 12 months (Provided as security for various regulatory registrations)	0.52	0.43
Long term deposits with banks with maturity period more than 12 months	1,035.00	1,035.00
Interest receivable on long term deposits with banks with maturity period more than 12 months	133.14	-
Total	**1,258.59**	**1,108.52**

The above non-current financial assets are carried at amortised cost.

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to the Standalone Financial Statements as at 31st March, 2022

8 Other non-current assets

(₹ in crores)

	As at 31st March, 2022	As at 31st March, 2021
Capital advances	357.22	444.94
Prepaid Expenses	2.13	1.98
Total	**359.35**	**446.92**

9 Inventories

(₹ in crores)

	As at 31st March, 2022	As at 31st March, 2021
Stock-in-trade (at lower of cost and net relisable value)	2,557.45	2,146.02
Goods in Transit	29.44	21.31
Total	**2,586.89**	**2,167.33**

10 Trade receivables

(₹ in crores)

	As at 31st March, 2022	As at 31st March, 2021
Unsecured		
Related parties (Refer Note: 31)	163.99	28.52
Other than related parties	66.87	43.58
Total	**230.86**	**72.10**

No trade or other receivable are due from directors or other officers of the Company either severally or jointly with any other person.

Trade receivables are non-interest bearing and are generally received within the credit period.

a) Undisputed Trade receivables – considered good*		
i) Less than 6 months	230.86	72.10
ii) 6 months -1 year	-	-
iii) 1-2 years	-	-
iv) 2-3 years	-	-
v) More than 3 years	-	-
vi) Not Due	-	-
Total	**230.86**	**72.10**

*Outstanding for following periods from date of transaction

b) There are no unbilled receivables, hence the same is not disclosed in ageing schedule.

c) There are no disputed trade receivables, hence the same is not disclosed in ageing schedule.

Notes

to the Standalone Financial Statements as at 31st March, 2022

11 Cash and cash equivalents

(₹ in crores)

	As at 31st March, 2022	As at 31st March, 2021
Balances with banks - In current accounts	38.73	148.69
Cash on hand	44.72	32.50
Total	**83.45**	**181.19**

For the purpose of the statement of cash flows, cash and cash equivalents comprise the following:

(₹ in crores)

	As at 31st March, 2022	As at 31st March, 2021
Total cash and cash equivalents	83.45	181.19
Cash and cash Equivalents for cash flow purpose	**83.45**	**181.19**

12 Bank balances other than cash and cash equivalents

(₹ in crores)

	As at 31st March, 2022	As at 31st March, 2021
Margin money deposits with bank (held as lien by bank against guarantees)	0.86	0.80
Deposits with bank	200.00	1,250.00
Total	**200.86**	**1,250.80**

13 Other current financial assets

(₹ in crores)

	As at 31st March, 2022	As at 31st March, 2021
Rent deposits given		
- Others	4.53	10.31
Advances recoverable in cash or in kind or in value to be received		
- Related parties (Refer Note : 31)*	1.94	0.51
- others	97.99	82.65
Interest receivable		
- other deposits	0.42	72.49
Advances to employees	2.25	1.90
Total	**107.13**	**167.86**
The above current financial assets are carried at amortised cost.		
* Maximum amount outstanding during the year	2.03	1.57

14 Other current assets

(₹ in crores)

	As at 31st March, 2022	As at 31st March, 2021
Prepaid expenses	9.87	6.61
Advances to suppliers	86.40	72.68
Balance with government authorities	38.51	36.97
Others	7.17	5.35
Total	**141.95**	**121.61**

Notes

to the Standalone Financial Statements as at 31st March, 2022

15 Equity share capital

(₹ in crores)

		As at 31st March, 2022	As at 31st March, 2021
A.	**Authorised**		
	750,000,000 [31st March, 2021 : 750,000,000] equity Shares of ₹ 10 each	750.00	750.00
	Issued, subscribed and fully paid up		
	647,774,691 [31st March, 2021 : 647,774,691] equity Shares of ₹ 10 each	647.77	647.77
		647.77	**647.77**

	Notes:		
a)	**Reconciliation of number of shares**		
	Balance at the beginning of the year		
	No. of shares	647,774,691	647,774,691
	Amount in ₹ crores	647.77	647.77
	Issued, subscribed and paid up during the year		
	No. of shares	-	-
	Amount in ₹ crores	-	-
	Balance at the end of the year		
	No. of shares	647,774,691	647,774,691
	Amount in ₹ crores	647.77	647.77

The Company through Qualified Institutional Placement (QIP) allotted 20,000,000 equity shares to the eligible Qualified Institutional Buyers (QIB) at a issue price of ₹ 2,049 per equity share (including a premium of ₹ 2,039 per equity share) aggregating to ₹ 4,098 crore on 11th February, 2020. The issue was made in accordance with the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended (the "SEBI ICDR Regulations"), and Sections 42 and 62 of the Companies Act, 2013, as amended, including the rules made thereunder (the "Issue"). Funds received pursuant to QIP are being utilised towards the object stated in the placement document and the balance unutilised as on 31st March,2022 remain invested in deposits with scheduled commercial banks.

Expenses incurred by the Company aggregating to ₹ 21.49 crores, in connection with QIP have been adjusted towards securities premium in March 2020.

b) Terms and rights attached to equity shares

The Company has only one class of equity shares having par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The Company if declares dividend would pay dividend in Indian rupees. The dividend if proposed by the Board of Directors would be subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c) Shares reserved for issue under option

Information relating to Avenue Supermarts limited Employee Stock Option Scheme, 2016, including details of option granted, exercised and lapsed during the financial year and options outstanding at the end of the reporting period, is set out in note 42.

Notes

to the Standalone Financial Statements as at 31st March, 2022

d) **Details of equity shares held by shareholders holding more than 5% of the aggregate shares in the company**

	As at 31st March, 2022	As at 31st March, 2021
Mr. Radhakishan S. Damani	222,159,156	222,159,156
- % holding of shares	34.30%	34.30%
Mr. Gopikishan S. Damani	49,480,000	49,480,000
- % holding of shares	7.64%	7.64%
Bright Star Investments Private Limited	88,750,000	88,750,000
- % holding of shares	13.70%	13.70%

e) **Refer note 46 for details of Shareholding of Promoters along with changes during the Financial Year**

16 Other equity

(₹ in crores)

		As at 31st March, 2022	As at 31st March, 2021
(a)	**Securities premium**		
	Opening balance	5,994.57	5,994.57
	Closing balance	**5,994.57**	**5,994.57**
(b)	**Debenture Redemption Reserve**		
	Opening balance	-	8.50
	Appropriations/reversal during the year	-	(8.50)
	Closing balance	**-**	**-**
(c)	**Share Options Outstanding Account**		
	Opening balance	31.71	25.82
	Share option expense	5.86	5.89
	Closing balance	**37.57**	**31.71**
(d)	**Retained earnings**		
	Opening balance	5,631.23	4,458.86
	Net Profit for the year	1,616.17	1,165.31
	Items of other comprehensive income recognised directly in retained earnings		
	- Remeasurements of post-employment benefit obligation, net of tax	(3.20)	(1.44)
	Transfer to/from debenture redemption reserve	-	8.50
	Closing balance	**7,244.20**	**5,631.23**
	Total other equity	**13,276.34**	**11,657.51**

17 Other non-current financial liabilities

(₹ in crores)

	As at 31st March, 2022	As at 31st March, 2021
Rent deposits taken	0.41	0.44
Total	**0.41**	**0.44**

The above non-current financial liabilities are carried at amortised cost.

Notes

to the Standalone Financial Statements as at 31st March, 2022

18 Deferred tax liabilities (net)

(₹ in crores)

	As at 31st March, 2022	As at 31st March, 2021
Deferred Tax liability on account of:		
- Depreciation	82.66	65.65
Deferred Tax Assets on account of:		
- Employee benefits	6.57	5.58
- Right-of-use assets	11.25	8.17
Deferred tax liabilities (net)	**64.84**	**51.90**

Movements in deferred tax liabilities and deferred tax assets

(₹ in crores)

	Property plant and equipment	Employee benefits	Right-of-use assets	Total
At 1st April, 2020	**55.88**	**(3.94)**	**(3.44)**	**48.20**
Charged/ (credited) to				
Profit and loss	10.07	(1.64)	(4.73)	3.70
At 31st March, 2021	**65.65**	**(5.58)**	**(8.17)**	**51.90**
Charged / (credited) to				
Profit and loss	17.01	(0.99)	(3.08)	12.94
At 31st March, 2022	**82.66**	**(6.57)**	**(11.25)**	**64.84**

19 Trade payables

(₹ in crores)

	As at 31st March, 2022	As at 31st March, 2021
Trade payables		
Amounts payable to related parties (Refer Note : 31)	0.66	39.01
Others	530.55	526.53
Total	**531.21**	**565.54**
(a) Dues to micro and small enterprises (Refer note 33)		
The Company has certain dues to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'). The disclosure pursuant to the said MSMED Act are as follows.		
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	29.13	19.97
b) Trade payables - ageing*		
(1) MSME		
i) Less than 1 year	29.04	19.72
ii) 1-2 years	0.07	0.22
iii) 2-3 years	0.00	0.02
iv) more than 3 years	0.02	0.01
v) Not due	-	-
Total	**29.13**	**19.97**

Notes
to the Standalone Financial Statements as at 31st March, 2022

(₹ in crores)

	As at 31st March, 2022	As at 31st March, 2021
(2) Others**		
i) Less than 1 year	351.99	438.37
ii) 1-2 years	6.78	11.16
iii) 2-3 years	9.76	3.33
iv) more than 3 years	5.01	2.37
v) Not due	128.54	90.34
Total	**502.08**	**545.57**

*Outstanding for following periods from date of transaction

**The ageing includes retention money payable on completion of contractual obligation

c) There are no disputed trade payables, hence the same is not disclosed in ageing schedule

20 Other current financial liabilities

(₹ in crores)

	As at 31st March, 2022	As at 31st March, 2021
Other financial liabilities measured at amortised cost:		
Escrow deposits received*	54.66	62.35
Salary and wages payable	50.32	48.41
Capital creditors**	165.44	144.50
Total	**270.42**	**255.26**

* Escrow deposit represents amount received to protect our liability from seller for any possible claims that may arise in future in respect of certain properties.

**** Dues to micro and small enterprises (Refer note 33)**

The Company has certain dues to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'). The disclosure pursuant to the said MSMED Act are as follows.

Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	13.74	4.62

21 Other current liabilities

(₹ in crores)

	As at 31st March, 2022	As at 31st March, 2021
Statutory dues	40.86	35.35
Other payables	6.42	0.78
Other payables - Related Party (Refer Note : 31)	2.85	1.45
Liability towards corporate social responsibility	2.16	-
Total	**52.29**	**37.58**

22 Provisions

(₹ in crores)

	As at 31st March, 2022	As at 31st March, 2021
Provision for employee benefits		
Gratuity (Refer note:43)	7.27	0.04
Leave entitlement	26.12	22.16
Total	**33.39**	**22.20**

Notes

to the Standalone Financial Statements for the year ended 31st March, 2022

23 Revenue from operations

(₹ in crores)

	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Sale of goods	33,113.71	25,961.45
Sale of goods on approval basis	32.09	31.79
Less : Cost of goods sold on approval basis	(26.81)	(26.63)
	33,118.99	**25,966.61**
Less : Tax	(2,860.78)	(2,237.23)
Other operating income	94.29	57.82
Total	**30,352.50**	**23,787.20**

24 Other income

(₹ in crores)

	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Interest on deposits and advances	103.77	178.13
Rent and amenities service income	27.51	16.18
Gain on sale of current investment	3.02	2.09
Exchange gain (net)	2.70	7.73
Miscellaneous income	3.87	4.77
Total	**140.87**	**208.90**

25 Changes in inventories of stock-in-trade

(₹ in crores)

	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Closing stock	2,586.89	2,167.33
Opening stock	2,167.33	1,909.43
Total	**(419.56)**	**(257.90)**

26 Employee benefits expenses

(₹ in crores)

	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Salaries, allowances and others	470.14	417.01
Expense on employee stock option scheme (Refer note : 42)	6.09	6.05
Contribution to provident fund and other funds	36.26	29.69
Employee welfare expenses	35.74	42.38
Total	**548.23**	**495.13**

27 Finance costs

(₹ in crores)

	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Interest on non convertible debentures	-	1.23
Interest others	39.42	33.00
Finance charges	0.18	0.25
Total	**39.60**	**34.48**

Notes

to the Standalone Financial Statements for the year ended 31st March, 2022

28 Depreciation and amortisation expense

(₹ in crores)

	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Depreciation/ amortisation on:		
- Tangible assets (Refer note: 2)	309.17	273.41
- Right-of-use assets (Refer note: 3)	108.09	92.62
- Investment property (Refer note: 4)	3.65	2.41
- Intangible assets (Refer note: 5)	3.81	3.99
	424.72	**372.43**
Less: Capitalised	(3.66)	(1.07)
Total	**421.06**	**371.36**

29 Other expenses

(₹ in crores)

	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Contract labour charges	603.04	609.74
Rent (Refer note : 3 & 34)	0.78	1.21
Electricity and fuel charges	196.43	168.03
Insurance	10.53	7.67
Rates and taxes	29.81	25.63
Repairs and maintenance:		
- Building	17.10	16.83
- Plant and machinery	52.72	43.16
- Others	25.51	20.39
Packing expenses	41.68	30.85
Printing & Stationery	16.18	13.16
Communication charges	5.59	5.16
Legal and professional fees	7.87	7.34
Travelling and conveyance	20.61	11.27
Directors fees	1.13	0.98
Payment to auditors		
- Audit fees	0.63	0.57
- Other services	-	-
- Reimbursement of expenses	-	-
Miscellaneous expenses	187.10	194.82
Expenditure towards corporate social responsibility (CSR) activities (Refer Note:36)	31.29	35.59
Loss on sale/discardment of PPE (net)	2.08	1.61
Total	**1,250.08**	**1,194.01**

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Notes

to the Standalone Financial Statements for the year ended 31st March, 2022

30 Tax expenses

(₹ in crores)

		For the year ended 31st March, 2022	For the year ended 31st March, 2021
Tax expense recognised in the statement of Profit and Loss			
(a)	**Tax expense**		
	Current tax		
	Current tax on profits for the year recognised in statement of profit and loss	539.55	389.35
	Current tax on Re-measurements gains/(loss) on defined benefit plans recognised in OCI	(1.08)	(0.48)
	Adjustments for tax related to earlier years	13.07	(13.57)
	Total current tax expense	**551.54**	**375.30**
	Deferred tax		
	Increase in deferred tax		
	Total deferred tax expense	12.94	3.70
	Total tax expense	**564.48**	**379.00**
(b)	**Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate:**		
	Accounting profit before tax	2,181.73	1,544.79
	Tax calculated at tax rates applicable to profit @ 25.168%	549.10	388.79
	Permanent differences due to:		
	Donation	0.08	0.01
	Deduction taken for 80JJA and others	(4.88)	(4.49)
	Corporate social responsibility	7.88	8.96
	Interest on income tax	0.09	0.42
	Fines and penalty	0.09	0.06
	Deduction from income from house property	(1.51)	(0.82)
	Adjustments for tax related to earlier years	13.07	(13.57)
	Others	0.56	(0.36)
Tax recognised in the statement of profit and loss and OCI		**564.48**	**379.00**

31 Related party transactions

(₹ in crores)

		Ownership interest	
		31st March, 2022	31st March, 2021
(i)	**Subsidiary companies :**		
	Avenue Food Plaza Private Limited	100.00	100.00
	Align Retail Trades Private Limited	100.00	100.00
	Nahar Seth & Jogani Developers Private Limited	90.00	90.00
	Avenue E-Commerce Limited	99.85	99.86
	Reflect Wholesale and Retail Private Limited	100.00	100.00
(ii)	**Shareholders who exercise control:**		
	Mr. Radhakishan Damani		
	Mr. Gopikishan Damani		
	Mrs. Shrikantadevi Damani		
	Mrs. Kirandevi Damani		
	Bright Star Investments Private Limited		
(iii)	**Directors and Key managerial personnel (KMP):**		
	Mr. Ignatius Navil Noronha (Managing Director and Chief Executive Officer)		
	Mr. Ramakant Baheti (Whole-time Director and Group Chief Financial Officer)		
	Mr. Elvin Machado (Executive Director)		
	Mrs. Manjri Chandak (Non Executive Director)		
	Mr. Ramesh Damani (Chairman and Independent Director)		
	Mr. Chandrashekhar B. Bhave (Independent Director)		

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to the Standalone Financial Statements for the year ended 31st March, 2022

	Ms. Kalpana Unadkat (Independent Director)
	Mr. Niladri Deb (Chief Financial Officer)
	Mrs. Ashu Gupta (Company Secretary)
(iv)	**Entities over which parties listed in (ii) and (iii) above exercise control / significant influence and transactions have taken place with them during the year**
	7 Apple Hotels Private Limited
	Bombay Swadeshi Stores Limited
	Derive Trading and Resorts Private Limited
	Damani Estates and Finance Private Limited
	Boutique Hotels India Private Limited
	Khaitan & Co
(v)	**Trust :**
	Avenue Supermarts Limited Employees Group Gratuity Trust
	D Mart Foundation

(b) Transaction with related parties

(₹ in crores)

	31st March, 2022	31st March, 2021
Remuneration to Directors/KMP	9.28	8.94
Sitting fees to Directors	0.26	0.26
Commission to Independent Directors	0.87	0.72
Mentorship fees	₹ 1 only	₹ 1 only
Align Retail Trades Private Limited		
Purchase of goods	1,582.67	1,292.75
Sales of Property, plant and equipment	0.02	0.08
Business support service income	0.05	0.05
Reimbursement of expenses	0.64	-
ESOP expenses reimbursement	0.04	0.04
Balances as at :		
Trade payables	0.65	38.08
Other receivables	0.01	0.01
Investment in share capital	34.34	34.34
Avenue Food Plaza Private Limited		
Rent and amenities service income	2.88	0.74
Reimbursement of expenses	0.61	0.28
Investment in shares	5.00	-
ESOP expenses reimbursement (₹ 37,179/- (Previous year : NIL)	0.00	-
Balances as at :		
Other receivables	0.93	0.43
Investment in share capital	5.01	0.01
Nahar Seth & Jogani Developers Private Limited		
Rent expenses	0.75	0.75
Balances as at :		
Rent deposits given	7.41	6.76
Prepaid rent	0.96	1.61
Investment in share capital	0.09	0.09
Avenue E-Commerce Ltd.		
Sale of goods	1,090.42	452.37
Purchase of goods	0.77	1.35
Sale of Property, plant and equipment	0.72	2.33
Rent Income	17.96	8.02
Business support service income	3.56	4.49
Business support service expense	-	1.02

Notes

to the Standalone Financial Statements for the year ended 31st March, 2022

(₹ in crores)

	31st March, 2022	31st March, 2021
ESOP expenses provided	0.27	0.20
Reimbursement of Income	26.22	10.89
Reimbursement of Expenses	5.57	1.02
Investment in shares	125.00	115.00
Balances as at :		
Trade payables	0.01	0.93
Other payables	2.77	1.45
Trade receivables	163.99	28.52
Other receivables	0.90	-
Investment in share capital	492.76	367.76
Reflect Wholesale and Retail Private Limited		
Investment in share capital	0.10	0.10
7 Apple Hotels Private Limited		
Rent and amenities service income	1.37	1.07
Employee Welfare Expenses	0.08	0.05
Reimbursement of expenses	0.13	0.15
Capital Advance for Property, Plant and Equipment	15.00	-
Balances as at :		
Other receivables	0.10	0.06
Other payables	0.01	0.00
Capital Advance for Property, Plant and Equipment	15.00	-
Bombay Swadeshi Stores Limited		
Employee welfare expenses (₹ 12,000/- (Previous year : NIL)	0.00	-
Derive Trading and Resorts Private Limited		
Employee welfare expenses	0.01	0.03
Damani Estates and Finance Private Limited		
Reimbursement of expenses	0.03	6.17
Purchase of Property, Plant and Equipment	146.59	-
Avenue Supermarts Limited Employees Group Gratuity Trust		
Contribution to trust	5.00	8.05
D MART Foundation		
Contribution to trust	11.17	6.50
Sale of goods	0.06	-
Khaitan & Co		
Professional services	0.02	-
Boutique Hotels India Private Limited		
Employee Welfare Expenses	0.14	-
Balances as at :		
Other payable	0.07	-

Note:

1. Compensation to Directors/KMP of the company:

(₹ in crores)

Nature of Benefits	31st March, 2022	31st March, 2021
Short term employment benefits	9.02	8.61
Post employment benefits	0.26	0.33
Sitting fees	0.26	0.26
Commission to Independent Directors	0.87	0.72

The aforesaid amount does not include amount in respect of gratuity and leave as the same in not determinable.

Notes

to the Standalone Financial Statements for the year ended 31st March, 2022

32 Assets pledged as security

The carrying amounts of assets pledged as security for current and non-current borrowings are:

(₹ in crores)

	As at 31st March, 2022	As at 31st March, 2021
Current assets		
Trade receivables	230.86	72.10
Inventories	1,064.90	963.05
Total current assets pledged as security	**1,295.76**	**1,035.15**
Non current assets		
First charge		
Land (Freehold and Leasehold)	-	5.73
Building	-	7.24
Total non-current assets pledged as security	**-**	**12.97**
Total assets pledged as security	**1,295.76**	**1,048.12**

At 31st March 2022, the Company had available ₹ 635.69 crores (31st March, 2021: ₹ 489.36 crores) of undrawn committed borrowing facilities.

33 MSME disclosure

The details of amounts outstanding to Micro and Small enterprises under the Micro and Small Enterprises Development Act, 2006 (MSED Act), based on the available information with the company are as under:

(₹ in crores)

		As at 31st March, 2022	As at 31st March, 2021
1	Principal amount not due and remaining unpaid	39.22	23.66
2	Principal amount due and remaining unpaid	3.65	0.93
3	Interest due on (1) above and the unpaid interest	-	-
4	Interest due and payable for the period of delay other than (3) above	-	-

34 Lease disclosure

The Company has entered into agreements for taking on lease certain office/store premises, warehouses. The lease term is for period ranging from 1 year to 30 years.

Premises taken on operating lease :

(₹ in crores)

	As at 31st March, 2022	As at 31st March, 2021
Lease rent expenses recognised in the statement of Profit and Loss account	0.78	1.21
The total future minimum lease rent payable for the non cancellable period of lease at the Balance Sheet date :		
- For a period not later than one year	-	-
- For a period later than one year and not later than 5 years	-	-
-For a period later than five years	-	-

Note : w.e.f 1st April,2019, IND AS 116 “Lease” supersedes IND AS 17 “Leases”. Refer Note 3 for disclosures.

Notes

to the Standalone Financial Statements for the year ended 31st March, 2022

35 Contingent liabilities and commitments

(a) Contingent liabilities

Claims against the company not acknowledged as debts

(₹ in crores)

	As at 31st March, 2022	As at 31st March, 2021
Income tax matters	3.25	3.24
Indirect tax matters	25.19	7.24
Other matters	-	0.84

It is not practicable for the Company to estimate the timings of cash outflows, if any in respect of above pending resolutions of the respective proceedings.

The Company has reviewed all its pending litigation and proceedings and has adequately provided for where provisions are required and disclosed in contingent liabilities where applicable in it's financial statements. The Company does not expect the outcome of these proceedings to have a materially adverse effect on it's financial statements.

The Company has process whereby periodically all long term contracts are assessed for material foreseeable losses. At the year end, Company has reviewed and ensured that adequate provision as required under any law/accounting standard for material foreseeable losses on such long term contracts has been made in the books of accounts.

(b) Capital commitments

(₹ in crores)

	As at 31st March, 2022	As at 31st March, 2021
Estimated amounts of contracts remaining to be executed on capital account and not provided for (net of advances) relating to stores under construction	2,668.17	2,816.65

36 Corporate social responsibility (CSR) activities

(₹ in crores)

		For the year ended 31st March, 2022	For the year ended 31st March, 2021
a)	**Expenditure towards CSR activities**		
	Amount required to be spent as per Section 135 of the Act *	32.23	29.71
	Amount yet to be spend / (spend in excess) during the previous year	(0.94)	4.94
	Total amount to be spend during the year	**31.29**	**34.65**
	Amount spent during the year on:		
	(i) Construction/acquisition of any asset	-	-
	(ii) On purposes other than (i) above	29.13	35.59
	Amount yet to be spend / (spend in excess) during the year on:		
	(i) Construction/acquisition of any asset	-	-
	(ii) On purposes other than (i) above	2.16	(0.94)
	Amount spent during the year for corporate social responsibility (CSR) activities are in cash.		
	*Includes excess amount of previous year.		
b)	**Details related to spent/unspent obligations**		
	i) Details of amounts spent against ongoing projects	14.92	15.22
	ii) Details of amounts spent against other than ongoing projects	13.42	19.35
	iii) Details of administrative overhead	0.54	1.02
	iv) Amount spent on Impact Assessment	0.25	

Notes

to the Standalone Financial Statements for the year ended 31st March, 2022

(₹ in crores)

		For the year ended 31st March, 2022	For the year ended 31st March, 2021
	v) Unspent amount in relation to :		
	- Ongoing projects	2.16	-
	- Other than ongoing projects	-	-
	Total	**31.29**	**35.59**
c)	**Details of ongoing project and other than ongoing projects**		
	Opening Balance		
	- With Company	(0.94)	4.94
	- In separate CSR unspent A/C	-	-
	Amount required to be spent	32.23	29.71
	Total amount to be spend during the year	31.29	34.65
	Amount spent during the year		
	- From Company bank A/C	29.13	35.59
	- From separate CSR unspent A/C	-	-
	Closing Balance		
	- With Company	-	(0.94)
	- In separate CSR unspent A/C	2.16	-
d)	**Transaction with related parties**		
	D Mart Foundation:		
	Contribution to trust	11.17	6.50
	Sale of goods	0.06	-

37 Segment reporting

The Company's business activity falls within a single primary business segment of retail and one reportable geographical segment which is "within India". Accordingly, the Company is a single segment company in accordance with Indian Accounting Standard 108 "Operating Segment".

38 The Company has not entered into any derivative transaction during the year. Unhedged foreign currency exposure at the end of the year is NIL.

39 Earnings per share (EPS)

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders by the weighted average number of equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders by the weighted average number of Equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

The following reflects the profit and share data used in the basic and diluted EPS computation:

(₹ in crores)

	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Earnings per share has been computed as under:		
Profit for the year as per statement of Profit and Loss (₹ in crores) :	1,616.17	1,165.31
Weighted average number of equity shares outstanding for basic EPS	647,774,691	647,774,691
Add : Weighted average number of potential equity shares on account of employee stock option schemes	5,118,596	4,818,457
Weighted average number of equity shares outstanding for dilutive EPS	652,893,287	652,593,148
Earnings Per Share (₹) - Basic (Face value of ₹ 10 per share)	24.95	17.99
Earnings Per Share (₹) - Diluted (Face value of ₹ 10 per share)	24.75	17.86

Notes

to the Standalone Financial Statements for the year ended 31st March, 2022

40 (a) Capital risk management

For the purpose of the Company's capital management, capital includes issued equity capital, securities premium and all other equity reserves attributable to the equity shareholders. The primary objective is to maximise the shareholders value.

The Company manages its capital structure and makes adjustments in light of changes in economic condition and the requirements of the financial covenants. The Company has raised capital by issue of equity shares through an Initial Public Offer (IPO) in the year ended 31st March, 2017 and Qualified Institutional Placement (QIP) in the year ended 31st March, 2020. Certain proceeds from the IPO and QIP have been used for repayment of borrowings which have significantly reduced the Company's borrowings and is NIL in the current year.

The capital structure is governed by policies approved by the Board of Directors and is monitored by various matrices funding requirements are reviewed periodically.

(b) Dividends

The Company has not paid any dividend since its incorporation.

41 Fair values and fair value hierarchy

The carrying amounts of trade receivables, cash and cash equivalents, bank balance other than cash and cash equivalents, other financial assets, trade payables, capital creditors are considered to be same as their fair values, due to their short term nature.

The carrying value of borrowings, lease liabilities, deposits given and taken and other financial assets and liabilities are considered to be reasonably same as their fair values. These are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counter party credit risk.

42 Share-based payments

Employee stock option plan

During the year ended 31st March, 2017, the Company had instituted an Avenue Supermarts Limited Employee Stock Option Scheme, 2016 ("the Scheme") as approved by the Board of Directors dated 23rd July, 2016 for issuance of stock option to eligible employee of the Company and of its subsidiaries.

Pursuant to Avenue Supermarts Limited Employee Stock Option Scheme, 2016 Stock options convertible into 13,973,325 equity shares of ₹ 10/- each were granted to eligible employees at exercise price of ₹ 299/-. Out of the options granted, 45,41,945 options lapsed (31st March, 2021: 44,58,695) and 36,95,605 options were vested (31st March, 2021 : 36,91,105) as at 31st March, 2022. Against the vested options, 36,90,205 (31st March, 2021 : 36,90,205) equity shares of ₹ 10/- each were allotted pursuant to exercise of options, and balance 900 (31st March, 2021 : 900) options lapsed.

Subject to terms and condition of the scheme, options are classified into three categories.

	Option A	Option B	Option C
No. of options	2,772,525	5,001,075	6,199,725
Method of accounting	Fair value	Fair value	Fair value
Vesting plan	9 years	6 years	2.5 years
Grant date	14th March, 2017	14th March, 2017	14th March, 2017
Exercise/Expiry date	13th March, 2026	13th March, 2023	13th September, 2019
Grant/Exercise price	₹ 299.00	₹ 299.00	₹ 299.00
Method of settlement	Equity - settled	Equity - settled	Equity - settled

Exercise period, would commence from the date of options are vested and will expire at the end of three months from the date of vesting.

Notes

to the Standalone Financial Statements for the year ended 31st March, 2022

Movement of options granted

(₹ in crores)

	For the year ended 31st March, 2022		For the year ended 31st March, 2021	
	Average exercise price per share option	Number of options	Average exercise price per share option	Number of options
Opening balance	299.00	5,823,525	299.00	6,439,125
Granted during the year	299.00	-	299.00	-
Forfeited during the year	299.00	83,250	299.00	615,600
Vested during the year*		4,500		-
Closing balance		**5,735,775**		**5,823,525**

* Vested options of 36,95,605 equity shares includes 4,500 share options vested in FY 21-22, 36,73,105 share options vested in FY 19-20, 14,400 share options vested in FY 18-19, 1,200 share options vested in FY 17-18 & 2,400 share options vested in FY 16-17.

The model inputs for fair value of option granted as on the grant date :

Inputs	Option A	Option B	Option C
Exercise price	₹ 299.00	₹ 299.00	₹ 299.00
Dividend yield	0%	0%	0%
Risk free interest rate	6.98%	7.24%	6.77%
Expected volatility	14.22%	14.22%	14.22%
Fair value per option	₹ 144.94	₹ 112.93	₹ 58.63
Model used	Black Scholes	Black Scholes	Black Scholes

Expense arising from equity settled share based payments transactions :

(₹ in crores)

	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Total ESOP expenditure	5.86	5.89
Less : Recovered from subsidiaries	0.04	0.04
Add : Payable to subsidiary	0.27	0.20
Recognised in the statement of profit or loss	**6.09**	**6.05**

43 Post retirement benefit plan

As per Indian Accounting Standard 19 “Employee benefits”, the disclosures as defined are given below:

Defined Benefit Plan

The Company operates a gratuity plan wherein every employees entitled to the benefit equivalent to fifteen days salary last drawn for each year of service. The same is payable on termination of sevice or retirement whichever is earlier. The benefit vest after five years of continuous service. The gratuity paid is governed by The Payment of Gratuity Act,1972. The Company contributes to the fund based on actuarial report details of which is available in the table of investment pattern of plan asset, based on which the Company is not exposed to market risk. The following table summarises the component of net benefit expenses recognised in the statement of profit and loss and the funded status and amounts recognised in the balance sheet for respective period.

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Notes

to the Standalone Financial Statements for the year ended 31st March, 2022

1 Change in the present value of defined benefit obligation are as follows

(₹ in crores)

	As at 31st March, 2022	As at 31st March, 2021
Present value of benefit obligation at the beginning of the year	42.64	32.20
Interest cost	2.67	2.07
Current service cost	7.95	6.62
Benefit paid from the fund	(2.54)	(0.80)
Actuarial (gains)/losses on obligations - due to change in demographic assumptions (₹ 40,232/- (Previous year : NIL))	0.00	-
Actuarial (gains)/losses on obligations - due to change in financial assumptions	(1.44)	0.41
Actuarial (gains)/losses on obligations - due to experience	4.73	2.14
Present value of benefit obligation at the end of the year	**54.01**	**42.64**

2 Change in fair value of plan assets

(₹ in crores)

	As at 31st March, 2022	As at 31st March, 2021
Fair value of plan assets at the beginning of the year	42.60	32.62
Interest income	2.67	2.09
Contributions by the employer	5.00	8.05
Benefit paid from the fund	(2.54)	(0.80)
Return on plan assets, excluding interest income	(0.99)	0.64
Fair value of plan assets at the end of the year	**46.74**	**42.60**

3 Change in fair value of assets and obligations

(₹ in crores)

	As at 31st March, 2022	As at 31st March, 2021
Present value of benefit obligation at the end of the year	(54.01)	(42.64)
Fair value of plan assets at the end of the year	46.74	42.60
Funded status (surplus/ (deficit))	**(7.27)**	**(0.04)**
Current (liability)/asset	(7.27)	(0.04)
Net (Liability)/Asset Recognised in the Balance Sheet	**(7.27)**	**(0.04)**

4 Net benefit expenses recognised during the year

(₹ in crores)

	For the year ended 31st March, 2022	For the year ended 31st March, 2021
In the statement of Profit and Loss		
Current service cost	7.95	6.62
Net interest cost	0.00	(0.02)
Past service cost	-	-
Net cost	**7.95**	**6.60**
In other comprehensive income		
Actuarial (gains)/losses on obligation for the year	3.29	2.56
Return on plan assets, excluding interest income	0.99	(0.64)
Net (income)/expense for the year recognised in OCI	**4.28**	**1.92**

Notes
to the Standalone Financial Statements for the year ended 31st March, 2022

5 All investment of plan asset are done in M/s Avenue Supermarts Limited Employees Group Gratuity Trust which is governed by Board of Trustees.

6 **The principal assumptions in determining gratuity defined benefit obligation for the Company are as follows**

	As at 31st March, 2022	As at 31st March, 2021
Expected return on plan assets	6.73%	6.26%
Rate of discounting	6.73%	6.26%
Rate of salary increase	8.00%	8.00%
Rate of employee turnover	15.00%	15.00%
Mortality rate during employment	Indian Assured Lives Mortality (2012-14)	Indian Assured Lives Mortality (2006-08)
Mortality rate after employment	N.A.	N.A.

The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary.

The expected rate of return on plan assets is determined considering several applicable factors, mainly the composition of plan assets held, assessed risks, historical results of return on plan assets and the Company's policy for plan assets management.

7 **The expected contributions for defined benefit plan for the future years is as follows :**

(₹ in crores)

	As at 31st March, 2022	As at 31st March, 2021
Projected benefits payable in future years from the date of reporting		
1st following year	6.41	4.63
2nd following year	6.45	4.93
3rd following year	6.62	4.91
4th following year	6.27	4.91
5th following year	5.89	4.59
Sum of years 6 To 10	22.96	17.91
Sum of years 11 and above	31.64	25.01

8 **Sensitivity analysis**

(₹ in crores)

	As at 31st March, 2022	As at 31st March, 2021
Projected benefit obligation on current assumptions	54.00	42.64
Delta effect of +1% change in rate of discounting	(2.82)	(2.34)
Delta effect of -1% change in rate of discounting	3.17	2.63
Delta effect of +1% change in rate of salary increase	2.99	2.48
Delta effect of -1% change in rate of salary increase	(2.72)	(2.26)
Delta effect of +1% change in rate of employee turnover	(0.43)	(0.47)
Delta effect of -1% change in rate of employee turnover	0.46	0.50

There has been no change from the previous year in the method and assumptions used in perparing the sensitivity analysis.

These plans typically exposed the Company to actuarial risks such as Interest risk, salary risk, investment risk, asset liability matching risk and mortality risk.

Notes

to the Standalone Financial Statements for the year ended 31st March, 2022

Gratuity is a defined benefit plan and Company is exposed to the following risks:

Interest rate risk: A fall in the discount rate which is linked to the G.Sec. rate will increase the present value of the liability requiring higher provision. A fall in the discount rate generally increases the mark to market value of the assets depending on the duration of asset.

Salary risk: The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. As such, an increase in the salary of the members more than assumed level will increase the plan's liability.

Investment risk: The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. If the return on plan asset is below this rate, it will create a plan deficit. Currently, for the plan in India, it has a relatively balanced mix of investments in government securities, and other debt instruments.

Asset liability matching risk: The plan faces the ALM risk as to the matching cash flow. Since the plan is invested in lines of rule 101 of Income Tax Rules, 1962, this generally reduces ALM risk.

Mortality risk: Since the benefits under the plan is not payable for life time and payable till retirement age only, plan does not have any longevity risk.

Concentration risk: Plan is having a concentration risk as all the assets are invested with the insurance Companies.

44 Financial risk management

Financial risk management objectives and policies

The Company's financial principal liabilities comprises borrowings, lease liabilities, trade payables and other payables. The main purpose of these financial liabilities to finance the Company operation. The Company's main financial assets includes trade and other receivable, cash and cash equivalent, other bank balances derived from its operations.

In addition to risks inherent to our operations, we are exposed to certain market risks including change in interest rates and fluctuation in currency exchange rates.

A) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivable) and from its financial activities including deposits with banks and financial institution.

Credit risk from balances with banks is managed by the Company's treasury department in accordance with Company's policy.

The Company operates on business model of primarily cash and carry along with sales to Subsidiary and credit risk from receivable perspective is not significant.

Notes
to the Standalone Financial Statements for the year ended 31st March, 2022

B) **Liquidity risk**
Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time, or at a reasonable price. Processes and policies related to such risk are overseen by senior management. Management monitors the Company's net liquidity position through rolling forecasts on the basis of expected cash flows.

Maturity patterns of borrowings

(₹ in crores)

	As at 31st March, 2022			
	0-1 years	1-5 years	beyond 5 years	Total
Lease liability	95.63	299.64	20.67	415.94
Expected interest payable on lease liability	38.50	69.99	21.31	129.80
Total	**134.13**	**369.63**	**41.98**	**545.74**

(₹ in crores)

	As at 31st March, 2021			
	0-1 years	1-5 years	beyond 5 years	Total
Lease liability	78.61	191.00	25.92	295.53
Expected interest payable on lease liability	27.00	46.06	23.39	96.45
Total	**105.61**	**237.06**	**49.31**	**391.98**

Maturity patterns of other financial liabilities
As at 31st March, 2022

(₹ in crores)

	Overdue/ Payable on demand	0-3 months	3-6 months	6 months to 12 months	beyond 12 months	Total
Trade payable	531.21	-	-	-	-	531.21
Payable related to capital goods	165.44	-	-	-	-	165.44
Other financial liabilities (current and non current)	104.98	-	-	-	0.41	105.39
Total	**801.63**	**-**	**-**	**-**	**0.41**	**802.04**

As at 31st March, 2021

(₹ in crores)

	Overdue/ Payable on demand	0-3 months	3-6 months	6 months to 12 months	beyond 12 months	Total
Trade payable	565.54	-	-	-	-	565.54
Payable related to capital goods	144.50	-	-	-	-	144.50
Other financial liabilities (current and non current)	110.76	-	-	-	0.44	111.20
Total	**820.80**	**-**	**-**	**-**	**0.44**	**821.24**

45 Ind AS 115 : Revenue from contracts with customers
The application of Ind AS 115 did not have any significant impact on recognition and measurement of revenue and related items in the standalone financial statements.

Notes

to the Standalone Financial Statements for the year ended 31st March, 2022

1. **Disaggregated revenue information :**
   Set out below is the disaggregation of the Company's revenue from contracts with customers:

(₹ in crores)

	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Type of goods or service		
Sale of goods	33,113.71	25,961.45
Sale of goods on approval basis net of COGS	5.28	5.16
Other operating income	94.29	57.82
Tax	(2,860.78)	(2,237.23)
Total revenue from contract with customers	**30,352.50**	**23,787.20**
India	30,352.50	23,787.20
Outside India	-	-
Total revenue from contract with customers	**30,352.50**	**23,787.20**
Timing of revenue recognition		
Goods transferred at a point in time	30,258.21	23,729.38
Services transferred over time (Other operating income)	94.29	57.82
Total revenue from contract with customers	**30,352.50**	**23,787.20**

2. **Contract balances:**

(₹ in crores)

	As at 31st March, 2022	As at 31st March, 2021
Trade receivables	230.86	72.10
Contract liabilities	6.42	0.78

46. Shareholding of Promoters

As at 31st March, 2022

	Promoter Name	No of shares at the beginning of the year	Change during the year	No of shares at the end of the year	% of total shares	% change during the year
1.	Mr. Radhakishan Damani	222,159,156	-	222,159,156	34.30%	0.00%
2.	Mr. Gopikishan Damani	49,480,000	-	49,480,000	7.64%	0.00%
3.	Mrs. Kirandevi Damani	14,000,000	-	14,000,000	2.16%	0.00%
4.	Mrs. Shrikantadevi Damani	21,250,000	-	21,250,000	3.28%	0.00%
5.	M/s Bright Star Investments P Ltd.	88,750,000	-	88,750,000	13.70%	0.00%
6.	M/s Royal Palm Private Beneficiary Trust	18,000,000	-	18,000,000	2.78%	0.00%
7.	M/s Bottle Palm Private Beneficiary Trust	18,000,000	-	18,000,000	2.78%	0.00%
8.	M/s Mountain Glory Private Beneficiary Trust	18,000,000	-	18,000,000	2.78%	0.00%
9.	M/s Gulmohar Private Beneficiary Trust	18,000,000	-	18,000,000	2.78%	0.00%
10.	M/s Karnikar Private Beneficiary Trust	18,000,000	-	18,000,000	2.78%	0.00%
11.	Mrs. Rukmanidevi Mohanlal Bagri (Promoter Group)	100,000	-	100,000	0.02%	0.00%
12.	Mrs. Chanda Chandak (Promoter Group)	8,000	-	8,000	0.00%	0.00%
Total		**485,747,156**	**-**	**485,747,156**	**74.99%**	

Notes

to the Standalone Financial Statements for the year ended 31st March, 2022

As at 31st March, 2021

Promoter Name		No of shares at the beginning of the year	Change during the year	No of shares at the end of the year	% of total shares	% change during the year
1.	Mr. Radhakishan Damani	222,159,156	-	222,159,156	34.30%	0.00%
2.	Mr. Gopikishan Damani	49,480,000	-	49,480,000	7.64%	0.00%
3.	Mrs. Kirandevi Damani	14,000,000	-	14,000,000	2.16%	0.00%
4.	Mrs. Shrikantadevi Damani	21,250,000	-	21,250,000	3.28%	0.00%
5.	M/s Bright Star Investments P Ltd.	88,750,000	-	88,750,000	13.70%	0.00%
6.	M/s Royal Palm Private Beneficiary Trust	18,000,000	-	18,000,000	2.78%	0.00%
7.	M/s Bottle Palm Private Beneficiary Trust	18,000,000	-	18,000,000	2.78%	0.00%
8.	M/s Mountain Glory Private Beneficiary Trust	18,000,000	-	18,000,000	2.78%	0.00%
9.	M/s Gulmohar Private Beneficiary Trust	18,000,000	-	18,000,000	2.78%	0.00%
10.	M/s Karnikar Private Beneficiary Trust	18,000,000	-	18,000,000	2.78%	0.00%
11.	Mrs. Rukmanidevi Mohanlal Bagri (Promoter Group)	100,000	-	100,000	0.02%	0.00%
12.	Mrs. Chanda Chandak (Promoter Group)	8,000	-	8,000	0.00%	0.00%
Total		**485,747,156**	**-**	**485,747,156**	**74.99%**	

47. Ratios

Ratios	Formulae	As at 31st March, 2022 %	As at 31st March, 2021 %	% Variance	Reason for variance
a) Current Ratio (times)	Current Asset / Current Liability	3.06	3.70	(17%)	
b) Debt - Equity Ratio (times)	Total Debt / Shareholder's Equity	0.03	0.02	24%	
c) Debt Service Coverage Ratio (times)	Earnings available for debt service / Debt Service (Finance cost + Lease Payment + Principal Repayment)	5.64	4.62	22%	
d) Return on Equity ratio (%)	Net Profit after tax / Average Shareholder's Equity	12.32%	9.94%	24%	
e) Inventory turnover ratio(times)	Net sales / Avg Inventory	12.77	11.67	9%	
f) Trade receivables turnover ratio (times)	Net Credit sales / Avg Trade receivable	138.92	261.72	(47%)	Ratio has reduced due to increase in receivables of credit sales
g) Trade payables turnover ratio (times)	Net Credit Purchases / Avg Trade payable	48.27	40.76	18%	
h) Net capital turnover ratio (times)	Net sales / Working Capital	13.45	8.23	63%	The Change is due to increase in Sales and higher maturity of short term deposits
i) Net profit ratio (%)	Net Profit after tax / Net Sales	5.32%	4.90%	9%	

Notes

to the Standalone Financial Statements for the year ended 31st March, 2022

j) Return on Capital employed (%)	Earning before interest and taxes / Capital Employed (Tangible Net Worth + Total Debt + Deferred Tax Liability)	17.37%	13.77%	26%	Improved on account of increased earnings
k) a) Return on investment (%) (Term Deposits)	Change in market value / Average Investment	3.94%	4.95%	(20%)	
b) Return on investment (%) (Mutual Funds)	Change in market value / Average Investment	3.17%	2.93%	8%	

48 Other Statutory Information

(i) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

(ii) The Company does not have any transactions with companies struck off

(iii) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period

(iv) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year

(v) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries,

(vi) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the company shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

(vii) The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961

(viii) The Company has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets during the year ended 31st March,2022.

(ix) The Company has not provided loans, advances in the nature of loans, stood guarantee, or provided security to Companies, Firms, limited liability partnerships

(x) The Company has not defaulted in repayment of loans, or other borrowings or payment of interest thereon to any lender.

(xi) The Company has not been declared willful defaulter by any bank, financial institution, government or government authority.

(xii) The quarterly returns/statements filed by the company with the banks are in agreement with the books of accounts of the company.

Notes

to the Standalone Financial Statements for the year ended 31st March, 2022

49 New and amended standards

The Company applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1st April, 2021. The Company has not early adopted any other standard or amendment that has been issued but is not yet effective:

i. Interest Rate Benchmark Reform – Phase 2: Amendments to Ind AS 109, Ind AS 107, Ind AS 104 and Ind AS 116

The amendments provide temporary reliefs which address the financial reporting effects when an interbank offered rate (IBOR) is replaced with an alternative nearly risk-free interest rate (RFR).

The amendments include the following practical expedients:

- A practical expedient to require contractual changes, or changes to cash flows that are directly required by the reform, to be treated as changes to a floating interest rate, equivalent to a movement in a market rate of interest
- Permit changes required by IBOR reform to be made to hedge designations and hedge documentation without the hedging relationship being discontinued
- Provide temporary relief to entities from having to meet the separately identifiable requirement when an RFR instrument is designated as a hedge of a risk component

These amendments had no impact on the financial statements of the Company. The Company intends to use the practical expedients in future periods if they become applicable.

ii. Conceptual framework for financial reporting under Ind AS issued by ICAI

The Framework is not a Standard and it does not override any specific standard. Therefore, this does not form part of a set of standards pronounced by the standard-setters. While, the Framework is primarily meant for the standard-setter for formulating the standards, it has relevance to the preparers in certain situations such as to develop consistent accounting policies for areas that are not covered by a standard or where there is choice of accounting policy, and to assist all parties to understand and interpret the Standards.

The amendments made in following standards due to Conceptual Framework for Financial Reporting under Ind AS. includes amendment of the footnote to the definition of an equity instrument in Ind AS 102- Share Based Payments, footnote to be added for definition of liability i.e. definition of liability is not revised on account of revision of definition in conceptual framework in case of Ind AS 37 - Provisions, Contingent Liabilities and Contingent Assets etc.

The MCA has notified the Amendments to Ind AS consequential to Conceptual Framework under Ind AS vide notification dated June 18, 2021, applicable for annual periods beginning on or after April 1, 2021. Accordingly, the Conceptual Framework is applicable for preparers for accounting periods beginning on or after 1 April 2021.

These amendments had no impact on the financial statements of the Company.

iii. Ind AS 116: COVID-19 related rent concessions

MCA issued an amendment to Ind AS 116 Covid-19-Related Rent Concessions beyond 30 June 2021 to update the condition for lessees to apply the relief to a reduction in lease payments originally due on or before 30 June 2022 from 30 June 2021. The amendment applies to annual reporting periods beginning on or after 1 April 2021. In case a lessee has not yet approved the financial statements for issue before the issuance of this amendment, then the same may be applied for annual reporting periods beginning on or after 1 April 2020.

These amendments had no impact on the financial statements of the Company.

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to the Standalone Financial Statements for the year ended 31st March, 2022

iv. **Ind AS 103: Business combination**

The amendment states that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Framework for the Preparation and Presentation of Financial Statements in accordance with Indian Accounting Standards* issued by the Institute of Chartered Accountants of India at the acquisition date. Therefore, the acquirer does not recognise those costs as part of applying the acquisition method. Instead, the acquirer recognises those costs in its post-combination financial statements in accordance with other Ind AS.

These amendments had no impact on the financial statements of the Company.

v. **Amendment to Ind AS 105, Ind AS 16 and Ind AS 28**

The definition of "Recoverable amount" is amended such that the words "the higher of an asset's fair value less costs to sell and its value in use" are replaced with "higher of an asset's fair value less costs of disposal and its value in use". The consequential amendments are made in Ind AS 105, Ind AS 16 and Ind AS 28.

These amendments had no impact on the financial statements of the Company.

50. There are no new standards that are notified, but not yet effective, upto the date of issuance of Company's standalone financial statements

51 Events after the reporting period

The Company has evaluated subsequent events from the balance sheet date through 14th May, 2022, the date at which the standalone financial statements were available to be issued, and determined that there are no material items to disclose other than those disclosed above.

52 We have considered the impact of COVID19 as evident so far in our above standalone financial statements. The Company will also continue to closely monitor any material changes to future economic conditions which necessitate any further modifications.

53. The previous year numbers have been reclassified wherever necessary.

As per our report of even date

For and on behalf of Board of Directors of
Avenue Supermarts Limited

For **S R B C & CO LLP**
Chartered Accountants
ICAI firm registration number 324982E/E300003

Ignatius Navil Noronha
Managing Director and
Chief Executive Officer
DIN: 01787989

Ramakant Baheti
Whole-time Director and
Group Chief Financial Officer
DIN: 00246480

per **Sudhir Soni**
Partner
Membership No.: 41870

Niladri Deb
Chief Financial Officer

Ashu Gupta
Company Secretary

Thane, 14th May, 2022

Thane, 14th May, 2022

Independent Auditor's Report

To the Members of
Avenue Supermarts Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Avenue Supermarts Limited (hereinafter referred to as "the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") comprising of the consolidated Balance sheet as at March 31 2022, the consolidated Statement of Profit and Loss, including other comprehensive income, the consolidated Cash Flow Statement and the consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2022, their consolidated profit including other comprehensive income, their consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Consolidated Financial Statements' section of our report. We are independent of the Group in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the financial year ended March 31, 2022. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of audit procedures performed by us and by other auditors of components not audited by us, as reported by them in their audit reports furnished to us by the management, including those procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Key audit matters	How our audit addressed the key audit matter
Capital expenditure in respect of land and buildings ***(as described in note 1.c and 2 of the consolidated financial statements)***	
The Holding Company has incurred significant expenditure on purchase/construction of land and building as reflected by the total value of additions in property, plant and equipment and capital work in progress in notes 2 in the consolidated financial statements. The Holding Company is in the process of constructing new stores across locations for which land has been purchased and buildings are being constructed. These stores take substantial period of time to get ready for its intended use. We considered capital expenditure in respect of land and building as a Key audit matter due to significance of amount incurred on such items during the year.	Our audit procedures included the following: We obtained understanding, evaluated the design and tested the operating effectiveness of controls related to capital expenditure of land and buildings. We obtained the list of land purchased during the year and traced the amounts of capitalization with the title deeds and traced the expenses capitalized along with the land cost to the underlying invoices. For samples selected, we obtained the approvals of the authorized signatory for the purchase of land. We performed control testing on a sample basis for each element of capitalised costs of building and reconciliation of material performed by management including verification of underlying supporting evidence and understanding nature of the costs capitalised. We compared the total cost of addition of sample stores with management budgets. We obtained understanding on management assessment relating to progress of projects.
Inventory existence and allowance for inventory ***(as described in note 1.k and 1.s of the consolidated financial statements)***	
As at March 31, 2022, the carrying amount of inventories amounted to ₹2,742.66 crore after considering allowances for Inventory towards shrinkage and slow moving inventory of ₹20.94 crore. These inventories are held at the stores and distribution centers of the Group. The management undertakes the physical verification of inventory at periodic intervals during the year and shrinkages if any are recorded in the books. Basis the actual shrinkages recorded, the management estimates the expected allowance for Inventory shrinkage from the date of the last physical verification till the balance sheet date. Further, there are a number of judgements required in assessing the appropriate level of allowance for slow moving inventory. Such judgements include management's expectations of forecast inventory demand, product expiry dates and plans to dispose of inventories that are close to expiry. Considering the wide spread inventory of the Company and the judgements applied for determining the allowance, we consider the existence and allowance for inventories to be a key audit matter.	Our procedures over existence and allowance for inventory included the following: We obtained an understanding, evaluated the design and tested the operating effectiveness of controls that the Group has in relation to the inventory count process and allowance for inventory; We performed testing on the Group's controls over the inventory count process. In testing these controls we observed the inventory count process at selected store and distribution centers on a sample basis, inspected the results of the inventory count and confirmed variances were accounted for and approved by management. Assessed the stock shrinkage provision by assessing the level of inventory write downs during the period and applying the shrinkage rate as determined location wise to the year end stock. We tested on a sample basis the shrinkage rate used to calculate the provision for each store and distribution center. We evaluated the assumptions made by management, and particularly the key assumption that in assessing stock obsolescence provisions through an analysis of inventory items by category and age and the level of inventory write downs in these categories during the period We assessed the Group's disclosures concerning this in Note 1.k and 1.s on significant accounting estimates and judgements and Note 10 Inventories to the consolidated financial statements

We have determined that there are no other key audit matters to communicate in our report.

Information Other than the Financial Statements and Auditor's Report Thereon

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group of which we are the independent auditors and whose financial information we have audited, to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the financial year ended March 31, 2022 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

We did not audit the financial statements and other financial information, in respect of three subsidiaries, whose financial statements include total assets of ₹67.78 crore as at March 31, 2022, and total revenues of ₹44.09 crore and net cash inflow of ₹1.00 crore for the year ended on that date. These financial statement and other financial information have been audited by other auditors, which financial statements, other financial information and auditor's reports have been furnished to us by the management.

Our opinion above on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements and other financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of the subsidiary companies, incorporated in India, as noted in the 'Other Matter' paragraph we give in the "Annexure 1" a statement on the matters specified in paragraph 3(xxi) of the Order.

2. As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries, as noted in the 'other matter' paragraph we report, to the extent applicable, that:

   (a) We/the other auditors whose report we have relied upon have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;

   (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;

   (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements;

   (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

   (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2022 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiary companies, none of the directors of the Group's companies, incorporated in India, is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act;

(f) With respect to the adequacy of the internal financial controls with reference to consolidated financial statements of the Holding Company and its subsidiary companies, incorporated in India, and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

(g) In our opinion and based on the consideration of reports of other statutory auditors of the subsidiaries, incorporated in India, the managerial remuneration for the year ended March 31, 2022 has been paid / provided by the Holding Company, its subsidiaries, incorporated in India to their directors in accordance with the provisions of section 197 read with Schedule V to the Act;

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries, as noted in the 'Other matter' paragraph:

i. The consolidated financial statements disclose the impact of pending litigations on its consolidated financial position of the Group, in its consolidated financial statements – Refer Note 38 to the consolidated financial statements;

ii. The Group, did not have any material foreseeable losses in long-term contracts including derivative contracts during the year ended March 31, 2022;

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, its subsidiaries, incorporated in India during the year ended March 31, 2022.

iv. a) The respective managements of the Holding Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such subsidiaries to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the respective Holding Company or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

b) The respective managements of the Holding Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries that, to the best of its knowledge and belief, no funds have been received by the respective Holding Company or any of such subsidiaries from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiaries shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditor's notice that has caused us or the other auditors to believe that the representations under sub-clause (a) and (b) contain any material mis-statement.

v) No dividend has been declared or paid during the year by the Holding Company, its subsidiaries companies, incorporated in India.

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per Sudhir Soni
Partner
Membership No.: 41870
UDIN: 22041870AIZDKT2028

Mumbai; May 14, 2022

Annexure 1

To the Independent Auditor's Report of even date on the Consolidated Financial Statements of Avenue Supermarts Limited

Referred to in Paragraph 1 under the hearing "Report on other legal and regulatory requirements" of our report of even date:

(xxi) Qualifications or adverse remarks by the respective auditors in the Companies (Auditors Report) Order (CARO) reports of the companies included in the consolidated financial statements are:

Sr no	Name	CIN	Holding company/ subsidiary/ associate/ joint venture	Clause number of the CARO report which is qualified or is adverse
1	Avenue E-commerce Limited	U74120MH2014PLC259234	Subsidiary	Paragraph 3(xvii)
2	Reflect Wholesale and Retail Private Limited	U51909MH2018PTC309999	Subsidiary	Paragraph 3(xvii)
3	Avenue Food Plaza Private Limited	U55200MH2004PTC146827	Subsidiary	Paragraph 3(xvii)

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per Sudhir Soni
Partner
Membership No.: 41870
UDIN: 22041870AIZDKT2028

Mumbai; May 14, 2022

Annexure 2

To the Independent Auditor's Report of even date on the Consolidated Financial Statements of Avenue Supermarts Limited

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of Avenue Supermarts Limited (hereinafter referred to as the "Holding Company") as of and for the year ended March 31, 2022, we have audited the internal financial controls with reference to consolidated financial statements of the Holding Company and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") , which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the companies included in the Group, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Holding Company's internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both, issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements.

Meaning of Internal Financial Controls With Reference to Consolidated Financial Statements

A company's internal financial control with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to consolidated financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls With Reference to Consolidated Financial Statements

Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to consolidated financial statements to future periods are subject to the risk that the internal financial controls with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Group , which are companies incorporated in India, have, maintained in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at March 31,2022, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

Other Matters

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements of the Holding Company, in so far as it relates to these three subsidiaries, which are companies incorporated in India, is based on the corresponding reports of the auditors of such subsidiaries incorporated in India.

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per Sudhir Soni
Partner
Membership No.: 41870
UDIN: 22041870AIZDKT2028

Mumbai; May 14, 2022

Consolidated Balance Sheet

as at 31st March, 2022

(₹ in crores)

	Notes	As at 31st March, 2022	As at 31st March, 2021
Assets			
Non-current assets			
(a) Property, plant and equipment	2	7,770.46	5,938.50
(b) Capital work-in-progress	2	1,129.34	1,019.59
(c) Right -of- use assets	3	1,388.65	960.24
(d) Investment properties	4	9.03	9.57
(e) Goodwill		78.27	78.27
(f) Intangible assets	5	13.61	22.22
(g) Financial assets			
(i) Investments	6	0.01	-
(ii) Other non-current financial assets	7	1,262.70	1,109.28
(h) Income tax assets (net)		2.28	1.63
(i) Deferred tax assets (net)	8	1.66	0.92
(j) Other non-current assets	9	373.78	454.62
Total non-current assets		**12,029.79**	**9,594.84**
Current assets			
(a) Inventories	10	2,742.66	2,248.28
(b) Financial assets			
(i) Investments	11	5.93	2.95
(ii) Trade receivables	12	66.89	43.58
(iii) Cash and cash equivalents	13	95.12	191.50
(iv) Bank balances other than cash and cash equivalents	14	203.46	1,254.08
(v) Other current financial assets	15	127.46	167.91
(c) Other current assets	16	201.33	152.83
Total current assets		**3,442.85**	**4,061.13**
Total assets		**15,472.64**	**13,655.97**
Equity and liabilities			
Equity			
(a) Equity share capital	17	647.77	647.77
(b) Other equity	18	13,029.87	11,535.94
Equity attributable to equity holders of the parent		13,677.64	12,183.71
Non-controlling interest		0.25	0.40
Total equity		**13,677.89**	**12,184.11**
Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(ia) Lease liability	3	507.15	312.01
(ii) Other non-current financial liabilities	19	0.41	0.44
(b) Provisions	20	4.87	2.45
(c) Deferred tax liabilities (net)	21	64.03	51.19
Total non-current liabilities		**576.46**	**366.09**
Current liabilities			
(a) Financial liabilities			
(ia) Lease liability	3	139.79	80.70
(ii) Trade payables due to :	22		
Micro and small enterprises		32.39	21.95
Other than micro and small enterprises		556.81	556.18
(iii) Other current financial liabilities	23	282.92	269.78
(b) Current tax liabilities (Net)		111.57	112.66
(c) Other current liabilities	24	58.37	40.73
(d) Provisions	25	36.44	23.77
Total current liabilities		**1,218.29**	**1,105.77**
Total equity and liabilities		**15,472.64**	**13,655.97**
Summary of significant accounting policies	1		

The accompanying notes are an integral part of these consolidated financial statements

As per our report of even date

For and on behalf of Board of Directors of
Avenue Supermarts Limited

For **S R B C & CO LLP**
Chartered Accountants
ICAI firm registration number 324982E/E300003

Ignatius Navil Noronha
Managing Director and
Chief Executive Officer
DIN: 01787989

Ramakant Baheti
Whole-time Director and
Group Chief Financial Officer
DIN: 00246480

per **Sudhir Soni**
Partner
Membership No.: 41870

Niladri Deb
Chief Financial Officer

Ashu Gupta
Company Secretary

Thane, 14th May, 2022

Thane, 14th May, 2022

D-Mart

Statement of Consolidated Profit and Loss

for the year ended 31st March, 2022

(₹ in crores)

	Notes	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Income			
Revenue from operations	26	30,976.27	24,143.06
Other income	27	117.49	196.21
Total income		**31,093.76**	**24,339.27**
Expenses			
Purchase of stock-in-trade		26,891.77	20,855.56
Changes in inventories of stock-in-trade	28	(494.38)	(300.88)
Employee benefits expenses	29	616.21	536.57
Finance costs	30	53.79	41.65
Depreciation and amortisation expense	31	498.08	414.16
Other expenses	32	1,464.17	1,308.76
Total Expenses		**29,029.64**	**22,855.82**
Profit before tax		2,064.12	1,483.45
Tax expense			
Current tax	33	546.33	394.69
Deferred tax charge		12.10	3.17
Adjustment of tax related to earlier years		13.29	(13.84)
Total Tax expenses		**571.72**	**384.02**
Net profit after tax		1,492.40	1,099.43
Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
Re-measurements loss on defined benefit plans	46	(6.14)	(2.35)
Less: Income tax effect		1.11	0.45
Net other comprehensive income not to be reclassified to profit or loss in subsequent year		(5.03)	(1.90)
Total comprehensive income for the year		1,487.37	1,097.53
Profit for the year		1,492.40	1,099.43
Attributable to:			
Equity holders of the parent		1,492.55	1,099.49
Non-controlling interests		(0.15)	(0.06)
Total comprehensive income for the year		**1,487.37**	**1,097.53**
Attributable to:			
Equity holders of the parent		1,487.52	1,097.59
Non-controlling interests		(0.15)	(0.06)
Earnings per equity share of ₹10 each: (in ₹)	42		
Basic		23.04	16.97
Diluted		22.86	16.85
Summary of significant accounting policies	1		

The accompanying notes are an integral part of these consolidated financial statements

As per our report of even date

For and on behalf of Board of Directors of
Avenue Supermarts Limited

For **S R B C & CO LLP**
Chartered Accountants
ICAI firm registration number 324982E/E300003

Ignatius Navil Noronha
Managing Director and
Chief Executive Officer
DIN: 01787989

Ramakant Baheti
Whole-time Director and
Group Chief Financial Officer
DIN: 00246480

per **Sudhir Soni**
Partner
Membership No.: 41870

Niladri Deb
Chief Financial Officer

Ashu Gupta
Company Secretary

Thane, 14th May, 2022

Thane, 14th May, 2022

Statement of Consolidated Cash Flows

for the year ended 31st March, 2022

(₹ in crores)

	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Cash flow from operating activities:		
Profit before tax	2,064.12	1,483.45
Adjustments for:		
Depreciation and amortisation expenses	498.08	414.16
Finance cost	53.79	41.65
Interest income	(103.96)	(178.13)
Profit on sale of investments	(3.66)	(2.56)
Expense on employee stock option scheme	6.42	6.38
Rent income	(3.55)	(2.89)
Loss on disposal of property, plant and equipment (net)	3.85	1.78
	450.97	**280.39**
Operating profit before working capital changes	**2,515.09**	**1,763.84**
Adjustments for:		
Increase in trade payables	11.07	144.68
Increase in current provisions	6.53	6.24
Increase/ (decrease) in other current financial liabilities	(6.91)	48.87
Increase in other current liabilities	17.64	20.03
Increase in non-current provisions	2.42	0.97
Decrease in other non-current financial liabilities	(0.03)	(0.03)
Increase in trade receivables	(23.31)	(24.03)
Increase in inventories	(494.38)	(300.88)
(Increase)/ decrease in current investments	(2.98)	11.73
Increase in other non-current financial assets	(6.79)	(15.26)
(Increase)/ decrease in bank balances other than cash and cash equivalents	0.62	(2.07)
Increase in other current assets	(48.96)	(4.79)
Increase in other current financial assets	(37.41)	(12.59)
	(582.49)	**(127.13)**
Cash flow from operating activities	1,932.60	1,636.71
Direct taxes paid (net of refunds)	(560.25)	(261.57)
Net cash flow from operating activities	**1,372.35**	**1,375.14**
Cash flow from investing activities:		
Proceeds from disposal of property, plant and equipment	20.92	1.88
Realisation from Fixed Deposits of Qualified institutional placement proceeds	1,050.00	783.00
Interest received	42.80	129.09
Gain on sale of investments	3.66	2.56
Rent income received	3.55	2.89
Purchase of property, plant and equipment/ intangible assets/investment properties	(2,410.42)	(2,029.42)
Net cash flow used in investing activities	**(1,289.49)**	**(1,110.00)**
Cash flow from financing activities:		
Proceeds from short term borrowings	248.00	200.00
Repayment of short term borrowings	(248.00)	(203.73)
Repayment of non convertible debentures	-	(34.00)
Payment of principal portion of lease liability	(125.45)	(98.17)
Interest paid on lease liability	(52.23)	(37.50)
Interest paid	(1.56)	(6.10)

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Statement of Consolidated Cash Flows

for the year ended 31st March, 2022

(₹ in crores)

	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Cash flow used in financing activities	**(179.24)**	**(179.50)**
Net increase/(decrease) in cash and cash equivalent	(96.38)	85.64
Cash and cash equivalents at beginning of the year	191.50	105.86
Cash and cash equivalents at end of the year	95.12	191.50
Cash and cash equivalents as per above comprises of the following		
Cash and cash equivalents (Refer Note:13)	95.12	191.50
Balance as per statement of cash flows	95.12	191.50

The accompanying notes are an integral part of these consolidated financial statements

Notes:

i) Reconciliation of borrowings

(₹ in crores)

	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Opening Balance		
Non- current borrowings (including current maturity)	-	34.00
Current borrowings	-	3.73
Movement of borrowings		
Cash Flow		
Non- current borrowings (including current maturity)	-	(34.00)
Current borrowings	-	(3.73)
Closing Balance		
Non- current borrowings (including current maturity)	-	-
Current borrowings	-	-

ii) The cash flow statement has been prepared under the indirect method as set out in Indian Accounting Standard (Ind AS 7) statement of cash flows.

As per our report of even date

For **S R B C & CO LLP**
Chartered Accountants
ICAI firm registration number 324982E/E300003

per **Sudhir Soni**
Partner
Membership No.: 41870

Thane, 14th May, 2022

For and on behalf of Board of Directors of
Avenue Supermarts Limited

Ignatius Navil Noronha
Managing Director and
Chief Executive Officer
DIN: 01787989

Ramakant Baheti
Whole-time Director and
Group Chief Financial Officer
DIN: 00246480

Niladri Deb
Chief Financial Officer

Ashu Gupta
Company Secretary

Thane, 14th May, 2022

Statement of Changes in Equity

for the year ended 31st March, 2022

A. Equity share capital

	Notes	No. of Shares	₹ in crores
Equity share of ₹10 each issued, subscribed and fully paid	17		
As at 1st April, 2020		647,774,691	647.77
Issue of Share Capital		-	-
As at 31st March, 2021		647,774,691	647.77
Issue of Share Capital		-	-
As at 31st March, 2022		**647,774,691**	**647.77**

B. Other equity

(₹ in crores)

	Notes	Reserve & Surplus				Other Equity	Non-controlling Interest	Total
		Securities premium	Share options outstanding	Debenture redemption reserve	Retained earnings			
Balance as at 1st April, 2020		5,994.57	26.65	8.50	4,402.25	10,431.97	0.46	10,432.43
Profit for the year		-	-	-	1,099.49	1,099.49	(0.06)	1,099.43
Other comprehensive income for the year		-	-	-	(1.90)	(1.90)	-	(1.90)
Share option expense	45	-	6.38	-	-	6.38	-	6.38
Transfer from debenture redemption reserve		-	-	(8.50)	8.50	-	-	-
Balance as at 31st March, 2021		**5,994.57**	**33.03**	**-**	**5,508.34**	**11,535.94**	**0.40**	**11,536.34**
Profit for the year		-	-	-	1,492.55	1,492.55	(0.15)	1,492.40
Other comprehensive income for the year		-	-	-	(5.03)	(5.03)	-	(5.03)
Share option expense	45	-	6.41	-	-	6.41	-	6.41
Balance as at 31st March, 2022		**5,994.57**	**39.44**	**-**	**6,995.86**	**13,029.87**	**0.25**	**13,030.12**

Nature and purpose of reserve

Securities premium

Securities premium is used to record the premium on issue of shares. The reserve is utilised in accordance with provisions of the Companies Act 2013.

Share options outstanding

The share options outstanding is used to recognise the grant date fair value of options issued to employees under Avenue Supermarts Limited Employee Stock Option Scheme, 2016, Avenue E-Commerce Limited Employee Stock Option Scheme, 2018, Employee Stock Option Scheme, 2020 and Employee Stock Option Scheme, 2022.

Debenture redemption reserve

The Company is required to create a debenture redemption reserves out of profit which is available for the purpose of redemption of debentures in accordance with provisions of Companies Act 2013.

The accompanying notes are an integral part of these consolidated financial statements

As per our report of even date

For and on behalf of Board of Directors of
Avenue Supermarts Limited

For **S R B C & CO LLP**
Chartered Accountants
ICAI firm registration number 324982E/E300003

Ignatius Navil Noronha
Managing Director and
Chief Executive Officer
DIN: 01787989

Ramakant Baheti
Whole-time Director and
Group Chief Financial Officer
DIN: 00246480

per **Sudhir Soni**
Partner
Membership No.: 41870

Niladri Deb
Chief Financial Officer

Ashu Gupta
Company Secretary

Thane, 14th May, 2022

Thane, 14th May, 2022

Notes

to the Consolidated Financial Statements for the year ended 31st March, 2022

Corporate information

Avenue Supermarts Limited ('The Group') is a Company limited by shares and is domiciled in India. The Parent Company's registered office is at Anjaneya, Opp. Hiranandani Foundation School, Powai, Mumbai, Maharashtra India 400076. The Parent Company is primarily engaged in the business of organised retail and operates supermarkets under the brand name of "D-Mart". Its equity shares are listed in India on Bombay Stock Exchange Limited and National Stock Exchange of India Limited.

The consolidated financial statements have been recommended for approval by the audit committee and is approved and adopted by the Board in their meeting held on 14th May, 2022.

1. Summary of significant accounting policies

(a) Basis of preparation

The consolidated financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 ('the Act') read with the Companies (Indian Accounting standards) Rules, 2015 and other relevant provisions of the Act.

The accounting policies are applied consistently to all the periods presented in the consolidated financial statements.

(i) Historical cost convention

The consolidated financial statements have been prepared on a historical cost basis, except for the following:

1) certain financial assets and liabilities that are measured at fair value;

2) defined benefit plans - plan assets measured at fair value;

3) share based payments.

(ii) Current non-current classification

The Group presents assets and liabilities in the balance sheet based on current and non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose or trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Group has identified twelve months as its operating cycle.

(iii) Rounding off amounts

The consolidated financial statements are presented in ₹ and all values are rounded to the nearest ₹0.00 crores, except when otherwise indicated.

(b) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Parent Company and its subsidiaries as at 31st March, 2022. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns generally, there is a presumption that a majority of voting rights result in control. To support

Notes

to the Consolidated Financial Statements for the year ended 31st March, 2022

this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights
- The size of the Group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's financial statements in preparing the consolidated financial statements to ensure conformity with the Group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent company, i.e., year ended on 31st March, 2022. When the end of the reporting period of the parent is different from that of a subsidiary, the subsidiary prepares, for consolidation purposes, additional financial information as of the same date as the financial statements of the parent to enable the parent to consolidate the financial information of the subsidiary, unless it is impracticable to do so.

Consolidation procedure:

(a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.

(b) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.

(c) Eliminate in full intraGroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Group (profits or losses resulting from intraGroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). IntraGroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intraGroup transactions.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-Group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary
- Derecognises the carrying amount of any non-controlling interests
- Derecognises the cumulative translation differences recorded in equity
- Recognises the fair value of the consideration received
- Recognises the fair value of any investment retained
- Recognises any surplus or deficit in profit or loss
- Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained

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to the Consolidated Financial Statements for the year ended 31st March, 2022

earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

(c) Property, plant and equipment (PPE)

Freehold land is carried at historical cost. All other item of property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of items.

Capital work-in-progress, property, plant and equipment is stated at cost, net of accumulated depreciation. Such cost includes the cost of replacing part of the property, plant and equipment and borrowing cost for long-term construction projects if the recognition criteria are met. When significant parts of property, plant and equipment are required to be replaced at intervals, The Group depreciates them separately based on thier specific useful lifes. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the property, plant and equipment as a replacement if the recongnition criteria are satisfied. All other repairs and maintenance costs are recognised in profit or loss as incurred.

Capital work-in-progress comprises cost of property, plant and equipment (including related expenses), that are not yet ready for their intended use at the reporting date.

Subsequent costs are included in the assets carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to The Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Depreciation on property, plant and equipment

Depreciation is provided to the extent of depreciable amount on written down value method (except for leasehold land which is amortised over the period of lease) over the useful life of asset as assessed by the management and the same is similar to the useful lives as prescribed in Part-C of Schedule II to the Companies Act, 2013. Depreciation is charged on pro-rata basis for asset purchased / sold during the year.

The assets residual values, useful life and method of depreciation of property, plant and equipment are reviewed and adjusted if appropriate, at the end of each reporting period.

(d) Business combinations and goodwill

The Group has accounted business combinations using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value. Acquisition-related costs are expensed as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their acquisition date fair values.

If the business combination is achieved in stages, any previously held equity interest is re-measured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss or OCI, as appropriate.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in OCI and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognises the gain directly in equity as capital reserve, without routing the same through OCI.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

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to the Consolidated Financial Statements for the year ended 31st March, 2022

(e) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Intangible assets are amortised on a written down value basis over the economic useful life estimated by the management.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

Amortisation on intangible assets

Amortisation is provided on straight line method over the useful life of asset as assessed by the management and the same is similar to the useful lives as prescribed in Part-C of Schedule II to the Companies Act, 2013. Amortisation is charged on pro-rata basis for asset purchased / sold during the year.

Estimated useful life of assets are as follows: Computer Software - 5 years, Trademarks - 5 - 10 years

(f) Investment properties

Investments in property that are not intended to be occupied substantially for use by, or in the operations of The Group, have been classified as investment property. Investment properties are measured initially at its cost including transaction cost and where applicable borrowing costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any. Subsequent cost are included in the assets carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to The Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Though the Group measures investment property using cost based measurement, the fair value of investment property is disclosed in the notes. Fair values are determined based on an annual evaluation performed by an accredited external independent valuer applying a valuation model recommended by the International Valuation Standards Committee.

The Group depreciates its investment properties over the useful life which is similar to that of Property, Plant and Equipment

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of derecognition.

(g) Impairment of non financial assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, The Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account.

Impairment losses are recognised in the statement of profit and loss, except for properties previously revalued with the revaluation surplus taken to OCI.

For assets, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have

Notes

to the Consolidated Financial Statements for the year ended 31st March, 2022

decreased. If such indication exists, The Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

(h) Leases

As per IND AS 116 "Leases", the determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right -of- use the asset or assets, even if that right is not explicitly specified in an arrangement.

As a lessee

The leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the company's general policy on the borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the Statement of Profit and Loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

Amortisation on right-of-use assets

Amortisation is provided on straight line method over the useful life of asset as assessed by the management. Amortisation is charged on pro-rata basis for asset purchased / sold during the year.

As a lessor

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases.

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

Ind AS 17 also contains similar requirements for recognition of lease rental income under operating leases. The company has determined that it does not meet criteria for recognition of lease rental expense/ income on a basis other than straight-line basis.

(i) Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprises cash at banks and on hand and short term deposits with an original maturity of three months or less, which are subject to an insignificant risk of change in value. For the purpose of consolidated financial statement of cash flow, cash and cash equivalent consists of cash and short term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of The Group's cash management.

(j) Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method less provision for impairment.

Notes

to the Consolidated Financial Statements for the year ended 31st March, 2022

(k) Inventories

Inventories are valued at lower of cost and net realisable value. Cost of inventories, comprise costs of purchase and other costs incurred in bringing the inventories to their present condition and location. Cost is determined by the weighted average cost method. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated cost necessary to make the sale.

(l) Financial instruments

A Financial instrument is any contract that gives rise to a financial assets of one entity and a financial liability or equity instrument of another entity.

Financial asset

(i) Classification

The Group classifies its financial assets in the following measurement categories:

* those to be measured subsequently at fair value (either through other comprehensive income, or through the Statement of Profit and Loss), and

* those measured at amortised cost.

The classification depends on The Group's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in the Statement of Profit and Loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether The Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income. The Group reclassifies debt investments when and only when its business model for managing those assets changes.

(ii) Measurement

At initial recognition, The Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through the Statement of Profit and Loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through the Statement of Profit and Loss are expensed in the Statement of Profit and Loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt instruments:

Subsequent measurement of debt instruments depends on The Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which The Group classifies its debt instruments:

* **Amortised cost**: A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to The Group. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

* **Fair value through other comprehensive income (FVOCI)**: A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

b) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in

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the other comprehensive income (OCI). However, The Group recognises interest income, impairment losses and reversals and foreign exchange gain or loss in the statement of profit or loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to P&L. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

* **Fair value through profit and loss**: FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorisation as at amortised cost or as FVTOCI, is classified as at FVTPL.

In addition, The Group may elect to designate a debt instrument, which otherwise meets amortised cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Group has not designated any debt instrument as at FVTPL. Debt instruments included within the FVTPL category are measured at fair value with all changes recognised in the P&L.

Equity instruments:

The Group subsequently measures all equity investments at fair value. Where The Group's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to the Statement of Profit and Loss. Dividends from such investments are recognised in the Statement of Profit and Loss as other income when The Group's right to receive payments is established.

Changes in the fair value of financial assets at fair value through the Statement of Profit and Loss are recognised in other income / other expenses in the Statement of Profit and Loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

(iii) Impairment of financial assets

The Group assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables only, The Group applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

(iv) Derecognition of financial assets

A financial asset is derecognised only when

* The Group has transferred the rights to receive cash flows from the financial asset or

* retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where The Group has transferred an asset, The Group evaluates whether it has transferred substantially all risks and rewards of the financial asset. In such cases, the financial asset is derecognised. Where The Group has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where The Group has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if The Group has not retained control of the financial asset. Where The Group retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

Financial Liabilities

(i) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default insolvency or bankruptcy of The Group or the counterparty.

(ii) Trade and other payables

These amounts represent liabilities for goods and services provided to The Group prior to the end of financial year which are unpaid. The amounts are unsecured. Trade and other payables are presented as current liabilities unless payment is not due within 12

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months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

(iii) Borrowings and other financial liabilities

Borrowings and other financial liabilities are initially recognised at fair value (net of transaction costs incurred). Difference between the fair value and the transaction proceeds on initiation is recognised as an asset / liability based on the underlying reason for the difference. Subsequently all financial liabilities are measured at amortised cost using the effective interest rate method.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash transferred or liabilities assumed, is recognised in the Statement of Profit and Loss.

Borrowings are classified as current liabilities unless The Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

(iv) Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition or construction of qualifying assets are capitalised during the period of time that is required to complete and prepare the asset for its intended use. Other borrowing costs are expensed in the period in which they are incurred.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

Borrowing cost consist of interest and other cost that an entity incurs in connection with borrowing of funds.

(v) Provisions and contingent liabilities

Provisions are recognised when The Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefit will be required to settle the obligation and the amount can be reliably estimated.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as finance cost.

Contingent Liabilities are disclosed in respect of possible obligations that arise from past events but their existence will be confirmed by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of The Group or where any present obligation cannot be measured in terms of future outflow of resources or where a reliable estimate of the obligation cannot be made.

A contingent asset is disclosed, where an inflow of economic benefits is probable. An entity shall not recognise a contingent asset unless the recovery is virtually certain.

(m) Revenue from operations

Revenue from operations is recognised to the extent that it is probable that economic benefit will flow to The Group and the revenue can be reliably measured regardless of when the payment is being made as per IND AS 115. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

Sale of goods

Revenue from sale of goods is recognised on delivery of merchandise to the customer, when the property in the goods is transferred for a price, and significant risks and rewards have been transferred and no effective ownership control is retained. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates. It is The Parent Company's policy to sell its products to the end customers with a right of return within 7 days. Historical experience is used to estimate and provide for such returns at the time of sales.

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to the Consolidated Financial Statements for the year ended 31st March, 2022

The Group has generally concluded that it is the principal in its revenue arrangements, except for the agency services below, because it typically controls the goods or services before transferring them to the customer.

Principal versus agent consideration
The inventory of third party does not pass to The Group till the product is sold. At the time of sale of such inventory, the sales value along with the cost of inventory is disclosed seprately as sale of goods on approval basis and cost of goods sold on approval basis and forms part of Revenue in the Statement of Profit and Loss. Only the net revenue earned i.e. margin is recorded as a part of revenue.

Rental income
Rental income arising from operating lease on investment properties is accounted for on a straight line basis over lease terms unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases and is included in the Statement of profit or loss due to its operating nature.

Interest income
Interest income is recognised based on time proportion basis considering the amount outstanding and using effective interest rate applicable (EIR). Interest income in included in the Other Income in the statement of Profit and Loss.

(n) **Retirement and other employee benefits**

i) Short-term obligations
Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

Retirement benefit in the form of provident fund is a defined contribution plan. The Group has no obligation, other than the contribution payable to the provident fund. The Group recognises contribution payable to the provident fund scheme as an expense, when an employee renders the related services. If the Contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognised as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognised as an asset to the extent that the prepayment will lead to a reduction in future payment or a cash refund.

ii) Other long-term employee benefit obligations
The liabilities for earned leave and sick leave that are not expected to be settled wholly within 12 months are measured at the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the Government Securities (G-Sec) at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in the Statement of Profit and Loss.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

iii) Post-employment obligations
Defined benefit plans
Gratuity
The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuary using the projected unit credit method. The present value of the defined benefit obligation denominated in INR is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the Statement of Profit and Loss. Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in the Statement of profit or loss as past service cost.

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to the Consolidated Financial Statements for the year ended 31st March, 2022

Share based payment

Equity settled share based payments to employees and other providing similar services are measured at fair value of the equity instruments at grant date.

The fair value determined at the grant date of the equity-settled share based payment is expensed on a straight line basis over the vesting period, based on The Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, The Group revises its estimates of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any is, recongised in Statement of Profit and Loss such that the cumulative expenses reflects the revised estimate, with a corresponding adjustment to the shared option outstanding account.

No expense is recognised for options that do not ultimately vest because non market performance and/or service conditions have not been met.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

Expense relating to options granted to employees of the subsidiaries under The Group's share based payment plan, is recovered from the subsidiary. Such recovery is reduced from employee benefit expense.

(o) Foreign currency transactions

(a) Functional and presentation currency:

Items included in the financial statements of The Group are measured using the currency of the primary economic environment in which the entity operates. The Consolidated Financial statements are presented in INR, which is functional and presentational currency.

(b) Transaction and balances :

Transaction in currencies other than than entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transaction.

Exchange differences arising on settlement or translation of monetary items are recognised in the Statement of Profit and Loss.

Non monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retransalated. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item.

(p) Income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that enacted or substantively enacted, at the reporting date in the countries where The Group operates and generates taxable income.

Deferred income tax is provided using the liability method on temporary differences arising between the tax bases of assets and liabilities and their carrying amount for financial reporting purpose at the reporting date. Deferred tax assets and liabilities are determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the asset is realised or the liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses, only if, it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are off set where The Group has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in the Statement of Profit and Loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively

(q) Earnings Per Share

Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to equity shareholder of The Group
- by the weighted average number of equity shares outstanding during the financial year

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to the Consolidated Financial Statements for the year ended 31st March, 2022

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

(r) Fair value measurement

The Group measures financial instrument at fair value at each Balance sheet date.

Fair value is the price that would received to sell an assets or paid to transfer a liability in an orderly transaction between market participant at the measurment date.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

1. Fair value of cash and deposits, trade and other receivables, trade payables, other current liabilities, short term loans from banks approximate their carrying amounts largely due to short term maturities of these instruments.
2. The fair values of non-current borrowings are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy due to the use of unobservable inputs, including own credit risk.
3. For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

(s) Significant accounting judgement, estimates and assumption

The preparation of consolidated financial statements requires the use of accounting estimates which by definition will seldom equal the actual results. Management also need to exercise judgement in applying The Group's accounting policies.

Share based payment

The Group initially measures the cost of equity settled transaction with employees using Black Scholes model to determine the fair value of the liability incurred. Estimating fair value for share-based payment transacton requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. The estimates also requires determination of the most appropriate inputs to the valuation model including expected life of the share option, volatility and dividend yield and making assumptions about them.For equity settled share based payment transaction, the liability needs to be re-measured at the end of each reporting period upto the date of settlement, with any changes in fair value recognised in the Statement of Profit and Loss. This requires a re-assessment of the estimates used at end of each reporting period. The assumption and models used for estimating the fair value for share based-payment transaction are disclosed in note no 45.

Provision for inventory

The Group has calculated the provision for inventory basis the percentage as per historical experience for inventory lying from the last inventory count date to the reporting date.

Defined benefit plans (gratuity benefits)

The cost of the defined benefit gratuity plan and other post-employment medical benefits and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term

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nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates.

Further details about gratuity obligations are given in note no: 46.

(t) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker being Managing Director of The Group. The Managing Director assesses the financial performance and position of The Group as a whole, and makes strategic decisions.

(u) Cash flow

The investing and financing activities in cash flow statement do not have a direct impact on current cash flows although they do affect the capital and asset structure of an entity. The Group has disclosed these transactions, to the extent material, in notes to cash flow statement.

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to the Consolidated Financial Statements as at 31st March, 2022

2 Property, plant and equipment

(₹ in crores)

	Freehold land (Refer note : 2,6)	Buildings (Refer note : 1,4,5)	Leasehold improvement	Plant and equipment	Computers	Furniture and fixtures	Vehicles	Office equipment	Electrical installations	Total
Cost										
Balance as at 1st April, 2020	2,262.94	2,712.27	69.07	272.29	95.18	268.36	3.57	38.64	207.96	5,930.28
Additions	599.41	306.11	12.52	74.18	24.45	69.21	0.13	12.20	40.68	1,138.89
Reclassification	(15.58)	5.25	-	-	-	-	-	-	-	(10.33)
Disposals	0.11	0.11	0.58	2.65	0.49	4.32	0.12	1.14	0.88	10.40
Balance as at 31st March, 2021	**2,846.66**	**3,023.52**	**81.01**	**343.82**	**119.14**	**333.25**	**3.58**	**49.70**	**247.76**	**7,048.44**
Additions	800.66	918.70	27.27	149.30	35.07	113.44	-	24.54	82.08	2,151.06
Reclassification	43.81	-	-	-	-	-	-	-	-	43.81
Disposals	-	0.20	0.50	30.45	1.60	3.30	0.14	0.93	0.85	37.97
Balance as at 31st March, 2022	**3,691.13**	**3,942.02**	**107.78**	**462.67**	**152.61**	**443.39**	**3.44**	**73.31**	**328.99**	**9,205.34**
Depreciation										
Balance as at 1st April, 2020	-	376.33	35.97	98.46	68.48	119.79	1.82	24.09	97.98	822.92
Charge for the year	-	126.29	13.85	42.67	19.88	44.86	0.54	8.43	32.71	289.23
Reclassification	-	4.55	-	-	-	-	-	-	-	4.55
Disposals	-	0.06	0.45	2.31	0.45	1.83	0.09	0.92	0.65	6.76
Balance as at 31st March, 2021	**-**	**507.11**	**49.37**	**138.82**	**87.91**	**162.82**	**2.27**	**31.60**	**130.04**	**1,109.94**
Charge for the year	-	144.97	14.20	52.45	24.19	53.63	0.39	11.96	38.19	339.98
Disposals	-	0.07	0.32	9.51	1.44	2.15	0.12	0.82	0.61	15.04
Balance as at 31st March, 2022	**-**	**652.01**	**63.25**	**181.76**	**110.66**	**214.30**	**2.54**	**42.74**	**167.62**	**1,434.88**
Net book value										
Balance as at 31st March, 2021	**2,846.66**	**2,516.41**	**31.64**	**205.00**	**31.23**	**170.43**	**1.31**	**18.10**	**117.72**	**5,938.50**
Balance as at 31st March, 2022	**3,691.13**	**3,290.01**	**44.53**	**280.91**	**41.95**	**229.09**	**0.90**	**30.57**	**161.37**	**7,770.46**

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to the Consolidated Financial Statements as at 31st March, 2022

Notes:

1. Building includes following amounts for construction under built operate and transfer (BOT) arrangement.

(₹ in crores)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Gross block	40.98	40.98
Net block	29.35	30.97

2. Freehold land includes ₹475.79 crores (31st March, 2021 : ₹425.90 crores) being property purchased, for which mutation is pending.

3. Details of Capital work in progress-

(₹ in crores)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Opening Balance	1,019.59	364.40
Additions during the year	1,285.38	1,100.67
Transfer / Adjustment during the year	(1,175.63)	(445.48)
Closing Balance	**1,129.34**	**1,019.59**

a) Capital work in progress ageing schedule

(₹ in crores)

Particulars	Less than 1 year	1- 2 years	2- 3 years	more than 3 years	Total
Project in progress	786.86	308.12	26.48	7.88	1,129.34
Project temporarily suspended	-	-	-	-	-
Balance as at 31st March, 2022	**786.86**	**308.12**	**26.48**	**7.88**	**1,129.34**
Project in progress	873.30	119.13	18.78	8.38	1,019.59
Project temporarily suspended	-	-	-	-	-
Balance as at 31st March, 2021	873.30	119.13	18.78	8.38	1,019.59

b) All the upcoming projects of the Group are within the timelines as estimated during the original plan and the actual cost of projects are within the total cost as estimated by the management of the Group as on 31st March, 2022.

4. Assets pledged as security for borrowings is disclosed under note 35.

5. Building includes Net book value of plant and equipment fitting of ₹22.06 crores (31st March, 2021 : ₹27.66 crores).

6. Freehold Land includes one property at Bhamti Nagar, Nagpur of ₹10.65 crores as at 31st March, 2022 (31st March, 2021: ₹10.65 crores) purchased by the parent company. The parent company has filed an Appeal before Deputy Director of Land Records (DDLR) at Nagpur thereby challenging the Order (by Virtue of which Ownership of the seller is affected) passed by Superintendent of Land Records. Title deed in respect of the said property is held in the name of the Avenue Supermarts Limited.

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3 Right-of-use assets

(₹ in crores)

	Land (Refer note: 1)	Building	Plant & equipment	Total
Cost				
Balance as at 1st April, 2020	477.55	358.12	-	835.67
Reclassification	21.74	-	-	21.74
Additions	137.53	185.86	7.98	331.37
Balance as at 31st March, 2021	**636.82**	**543.98**	**7.98**	**1,188.78**
Additions	244.69	353.61	20.24	618.54
Reclassification	(45.80)	-	-	(45.80)
Disposals	-	8.91	-	8.91
Balance as at 31st March, 2022	**835.71**	**888.68**	**28.22**	**1,752.61**
Amortisation				
Balance as at 1st April, 2020	22.72	95.62	-	118.34
Reclassification	0.50	-	-	0.50
Charge for the year	7.16	101.98	0.56	109.70
Balance as at 31st March, 2021	**30.38**	**197.60**	**0.56**	**228.54**
Reclassification	(1.99)	-	-	(1.99)
Charge for the year	10.24	131.54	0.92	142.70
Disposals	-	5.29	-	5.29
Balance as at 31st March, 2022	**38.63**	**323.85**	**1.48**	**363.96**
Net book value				
Balance as at 31st March, 2021	**606.44**	**346.38**	**7.42**	**960.24**
Balance as at 31st March, 2022	**797.08**	**564.83**	**26.74**	**1,388.65**

Notes:

1. Right-of-use Land includes following amounts paid as premium under built operate and transfer (BOT) arrangement

(₹ in crores)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Gross block	13.83	13.83
Net block	12.77	12.92

2. Lease liabilities

(₹ in crores)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Opening	392.71	295.46
Recognised during the year	431.91	232.92
Repayments during the year	(177.68)	(135.67)
Closing	**646.94**	**392.71**
Non Current	507.15	312.01
Current	139.79	80.70

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The following are the amounts recognised in the statement of profit or loss:

(₹ in crores)

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Amortisations expense of right-of-use assets (Refer note: 31)	142.70	109.70
Interest expense on lease liabilities (Refer note: 30)	52.23	37.50
Expense relating to short-term leases (included in other expenses) (Refer note: 32)	1.50	1.32
Total amount recognised in the statement of profit or loss	**196.43**	**148.52**

The Group had total cash outflows for leases of ₹177.68 crores (31st March, 2021: ₹135.67 crores) and also had non-cash additions to right-of-use assets and lease liabilities of ₹373.85 crores (31st March, 2021: ₹193.84 crores).

4 Investment properties

(₹ in crores)

		As at 31st March, 2022	As at 31st March, 2021
	Cost		
	Opening balance	9.53	20.94
	Adjustment/transfer to PPE	-	(11.41)
	Closing balance	**9.53**	**9.53**
	Depreciation		
	Opening balance	0.04	(4.41)
	Charge for the year	(0.54)	(0.59)
	Adjustment/transfer to PPE	-	5.04
	Closing balance	**(0.50)**	**0.04**
	Net book value	**9.03**	**9.57**
	Information regarding income and expenditure of investment properties:		
(i)	**Amounts recognised in profit or loss for investment properties**		
	Rental income including contingent rent of ₹ Nil (Previous year ₹ Nil crores)	1.78	1.22
	Direct operating expenses from property that generated rental income	0.17	0.19
	Income from investment properties before depreciation	**1.61**	**1.03**
	Depreciation	0.54	0.59
	Income from investment properties	**1.07**	**0.44**
(ii)	**Fair value**		
	Investment properties	55.67	54.10

The Group has no restrictions on the realisability of its investment properties and no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements.

Estimation of fair value

The fair valuation is based on current prices in the active market for similar properties. The main inputs used are quantum, area, location, demand, restrictive entry to the complex, age of building and trend of fair market rent.

This valuation is based on valuations performed by a registered valuer as defined under rule 2 of Companies (Registered Valuers and Valuation) Rules, 2017. Fair valuation is based on replacement cost method. The fair value measurement is categorised in level 2 fair value hierarchy.

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Notes

to the Consolidated Financial Statements as at 31st March, 2022

5 Intangible assets

(₹ in crores)

	Computer software	Trademarks	Total
Cost			
Balance as at 1st April, 2020	61.47	0.02	61.49
Additions	9.59	-	9.59
Disposals	0.02	-	0.02
Balance as at 31st March, 2021	**71.04**	**0.02**	**71.06**
Additions	10.09	-	10.09
Disposals	-	-	-
Balance as at 31st March, 2022	**81.13**	**0.02**	**81.15**
Amortisation			
Balance as at 1st April, 2020	32.94	0.01	32.95
Charge for the year*	15.89	-	15.89
Disposals	-	-	-
Balance as at 31st March, 2021	**48.83**	**0.01**	**48.84**
Charge for the year*	18.70	-	18.70
Disposals	-	-	-
Balance as at 31st March, 2022	**67.53**	**0.01**	**67.54**
Net book value			
Balance as at 31st March, 2021	**22.21**	**0.01**	**22.22**
Balance as at 31st March, 2022	**13.60**	**0.01**	**13.61**

* Trademark amortisation - includes amount less than a lakh.

6 Investments

(₹ in crores)

	As at 31st March, 2022	As at 31st March, 2021
Other Investments		
Unquoted Equity shares		
Equity instruments at cost		
10,000 (31st March, 2021 : Nil) shares of Retailer Association of India (equity shares of ₹10 each)	0.01	-
Total	**0.01**	**-**
Aggregate amount of unquoted investments	0.01	
Non-current	0.01	-

7 Other non-current financial assets

(₹ in crores)

	As at 31st March, 2022	As at 31st March, 2021
Rent deposits given	57.25	41.16
Other deposits	35.61	31.76
Margin money deposits with banks (held as lien by bank against bank guarantees)	0.97	0.93
Long term deposits with banks with maturity period more than 12 months (Provided as security for various regulatory registrations)	0.52	0.43
Long term deposits with banks with maturity period more than 12 months	1,035.21	1,035.00
Interest receivable on long term deposits with banks with maturity period more than 12 months	133.14	-
Total	**1,262.70**	**1,109.28**

The above non-current financial assets are carried at amortised cost.

Notes

to the Consolidated Financial Statements as at 31st March, 2022

8 Deferred tax assets (net)

(₹ in crores)

	As at 31st March, 2022	As at 31st March, 2021
Deferred tax liability on account of:		
- Depreciation	0.02	0.01
Deferred tax assets on account of:		
- Right to use assets	0.08	0.07
- Depreciation	1.36	0.69
- Employee benefits	0.24	0.17
Deferred tax assets (net)	**1.66**	**0.92**

Movement in deferred tax assets and deferred tax liabilities (net)	Property plant and equipment	Employee benefits & right-of-use assets	Total
At 1st April 2020	0.13	0.16	0.29
Charged / (Credited) to			
Profit and Loss	0.55	0.08	0.63
At 31st March 2021	0.68	0.24	0.92
Charged / (Credited) to			
Profit and Loss	0.66	0.08	0.74
At 31st March 2022	**1.34**	**0.32**	**1.66**

9 Other non-current assets

(₹ in crores)

	As at 31st March, 2022	As at 31st March, 2021
Capital advances	371.16	452.46
Prepaid Expenses	2.62	2.16
Total	**373.78**	**454.62**

10 Inventories

(₹ in crores)

	As at 31st March, 2022	As at 31st March, 2021
Stock-in-trade (at lower of cost and net realisable value)	2,709.13	2,223.63
Stock in transit	29.44	21.31
Stock of packing material	4.09	3.34
Total	**2,742.66**	**2,248.28**

11 Current investments

(₹ in crores)

	As at 31st March, 2022	As at 31st March, 2021
Investment in mutual funds		
Unquoted		
14,272.752 [31st March, 2021 7,339.216] HDFC Liquid Fund - Growth	5.93	2.95
Total	**5.93**	**2.95**
Aggregate amount of unquoted investments	5.93	2.95
Aggregate amount of impairment in the value of investment	-	-

Notes

to the Consolidated Financial Statements as at 31st March, 2022

12 Trade receivables

(₹ in crores)

	As at 31st March, 2022	As at 31st March, 2021
Considered good		
Unsecured		
Other than related parties	66.89	43.58
Total	**66.89**	**43.58**

No trade or other receivable are due from directors or other officers of the Group either severally or jointly with any other person.

Trade receivables are non-interest bearing and are generally received within the credit period.

a)	Undisputed Trade receivables – considered good*		
i)	Less than 6 months	66.88	43.57
ii)	6 months -1 year	0.01	0.01
iii)	1-2 years	-	-
iv)	2-3 years	-	-
v)	More than 3 years	-	-
vi)	Not Due	-	-
	Total	**66.89**	**43.58**

*Outstanding for following periods from date of transaction

b) There are no unbilled receivables, hence the same in not disclosed in ageing schedule

c) There are no disputed trade receivables, hence the same is not disclosed in ageing schedule

13 Cash and cash equivalents

(₹ in crores)

	As at 31st March, 2022	As at 31st March, 2021
Balances with banks - In current accounts	47.43	157.35
Cash on hand	47.69	34.15
Total	**95.12**	**191.50**

For the purpose of the statement of cash flows, cash and cash equivalents comprise the following:

(₹ in crores)

	As at 31st March, 2022	As at 31st March, 2021
Total cash and cash equivalents	95.12	191.50
Cash and cash Equivalents for cash flow purpose	**95.12**	**191.50**

14 Bank balances other than cash and cash equivalents

(₹ in crores)

	As at 31st March, 2022	As at 31st March, 2021
Margin money deposits with bank (held as lien by bank against guarantees)	0.86	0.88
Deposits with bank	202.60	1,253.20
Total	**203.46**	**1,254.08**

Notes

to the Consolidated Financial Statements as at 31st March, 2022

15 Other current financial assets

(₹ in crores)

	As at 31st March, 2022	As at 31st March, 2021
Rent deposits given	4.53	10.31
Advances recoverable in cash or in kind or in value to be received		
- Related parties (Refer note: 34)*	0.09	-
- Others	120.13	83.17
Interest receivable	0.46	72.53
Advances to employees	2.25	1.90
Total	**127.46**	**167.91**
The above current financial assets are carried at amortised cost.		
* Maximum amount outstanding during the year	0.09	-

16 Other current assets

(₹ in crores)

	As at 31st March, 2022	As at 31st March, 2021
Prepaid Expenses	10.80	6.06
Advances to suppliers	95.46	72.80
Balance with government authorities	87.90	63.95
Other receivables - Related Party (Refer Note : 34)	-	0.13
Others	7.17	9.89
Total	**201.33**	**152.83**

17 Equity share capital

(₹ in crores)

		As at 31st March, 2022	As at 31st March, 2021
A.	**Authorised**		
	750,000,000 [31st March, 2021: 750,000,000] equity Shares of ₹10 each	750.00	750.00
	Issued, subscribed and fully paid up		
	647,774,691 [31st March, 2021: 647,774,691] equity Shares of ₹10 each	647.77	647.77
		647.77	**647.77**
	Notes:		
a)	**Reconciliation of number of shares**		
	Balance at the beginning of the year		
	No. of shares	647,774,691	647,774,691
	Amount in ₹ crores	647.77	647.77
	Issued, subscribed and paid up during the year		
	No. of shares	-	-
	Amount in ₹ crores	-	-
	Balance at the end of the year		
	No. of shares	647,774,691	647,774,691
	Amount in ₹ crores	647.77	647.77

The Parent Company through Qualified Institutions Placement (QIP) allotted 20,000,000 equity shares to the eligible Qualified Institutional Buyers (QIB) at a issue price of 2,049 per equity share (including a premium of ₹2,039 per Equity Share) aggregating to ₹4,098 crore on 11th February, 2020. The issue was made in accordance with the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended (the “SEBI ICDR Regulations”), and Sections 42 and 62 of the Companies Act, 2013, as amended, including the rules made thereunder (the “Issue”). Funds received pursuant to QIP having utilise towards the object stated in the placement document and the balance as on 31st March, 2022 unutilise remain invested in deposits with scheduled commercial banks.

Notes

to the Consolidated Financial Statements as at 31st March, 2022

Expenses incurred by the parent Company aggregating to ₹21.49 crores, in connection with QIP have been adjusted towards securities premium in March 2020.

b) **Terms and rights attached to equity shares**

The Parent Company has only one class of equity shares having par value of ₹10 per share. Each holder of equity shares is entitled to one vote per share. The Company if declares dividend would pay dividend in Indian rupees. The dividend if proposed by the Board of Directors would be subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Parent Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c) **Shares reserved for issue under option**

Information relating to Avenue Supermarts limited Employee Stock Option Scheme, 2016, and Avenue E-Commerce Limited Employee Stock Option Scheme, 2018, Employee Stock Option Scheme, 2020 and Employee Stock Option Scheme, 2022 including details of option granted, exercised and lapsed during the financial year and options outstanding at the end of the reporting period, is set out in note 45.

d) **Details of equity shares held by shareholders holding more than 5% of the aggregate shares in the Company**

	As at 31st March, 2022	As at 31st March, 2021
Mr. Radhakishan S. Damani	222,159,156	222,159,156
- % holding of shares	34.30%	34.30%
Mr. Gopikishan S. Damani	49,480,000	49,480,000
- % holding of shares	7.64%	7.64%
Bright Star Investments Private Limited	88,750,000	88,750,000
- % holding of shares	13.70%	13.70%

e) **Refer note 52 for details of Shareholding of Promoters along with changes during the Financial Year**

18 Other equity

(₹ in crores)

		As at 31st March, 2022	As at 31st March, 2021
(a)	**Securities premium**		
	Opening balance	5,994.57	5,994.57
	Closing balance	**5,994.57**	**5,994.57**
(b)	**Debenture Redemption Reserve**		
	Opening balance	-	8.50
	Appropriations/reversal during the year	-	(8.50)
	Closing balance	**-**	**-**
(c)	**Share Options Outstanding**		
	Opening balance	33.03	26.65
	Share option expense	6.41	6.38
	Closing balance	**39.44**	**33.03**
(d)	**Retained earnings**		
	Opening balance	5,508.34	4,402.25
	Net Profit for the year	1,492.55	1,099.49
	Items of other comprehensive income recognised directly in retained earnings		
	- Remeasurements of post-employment benefit obligation, net of tax	(5.03)	(1.90)
	- Transfer to/from debenture redemption reserve	-	8.50
	Closing balance	**6,995.86**	**5,508.34**
	Total other equity	**13,029.87**	**11,535.94**

Notes

to the Consolidated Financial Statements as at 31st March, 2022

19 Other non-current financial liabilities

(₹ in crores)

	As at 31st March, 2022	As at 31st March, 2021
Rent deposits taken	0.41	0.44
Total	**0.41**	**0.44**

The above non-current financial liabilities are carried at amortised cost.

20 Provisions

(₹ in crores)

	As at 31st March, 2022	As at 31st March, 2021
Provision for employee benefits		
Gratuity (Refer Note : 46)	4.87	2.45
Total	**4.87**	**2.45**

21 Deferred tax liabilities (net)

(₹ in crores)

	As at 31st March, 2022	As at 31st March, 2021
Deferred tax liability on account of:		
- Depreciation	82.67	65.65
Deferred tax assets on account of:		
- Employee benefits	6.57	5.58
- Right -of- use assets	11.25	8.17
- Unrealised profit on consolidation	0.82	0.71
Deferred tax liabilities (net)	**64.03**	**51.19**

Movement in deferred tax assets and deferred tax liabilities (net)

(₹ in crores)

	Uneralised profit on consolidation	Property plant and equipment	Others	Total
At 1st April, 2020	**(0.87)**	**55.50**	**(7.24)**	**47.39**
Charged / (Credited) to				
Profit and Loss	0.16	10.15	(6.51)	3.80
At 31st March, 2021	**(0.71)**	**65.65**	**(13.75)**	**51.19**
Charged / (Credited) to				
Profit and Loss	(0.11)	17.02	(4.07)	12.84
At 31st March, 2022	**(0.82)**	**82.67**	**(17.82)**	**64.03**

Notes

to the Consolidated Financial Statements as at 31st March, 2022

22 Trade payables

(₹ in crores)

		As at 31st March, 2022	As at 31st March, 2021
	Trade payables		
	Others	589.20	578.13
	Total	**589.20**	**578.13**
(a)	**Dues to micro and small enterprises (Refer note 36)**		
	The Group has certain dues to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'). The disclosure pursuant to the said MSMED Act are as follows.		
	Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	32.39	21.95
(b)	**Trade payables - ageing***		
	(1) MSME		
	i) Less than 1 year	32.28	21.66
	ii) 1-2 years	0.08	0.22
	iii) 2-3 years	0.00	0.02
	iv) more than 3 years	0.03	0.02
	v) Not due	-	0.03
	Total	**32.39**	**21.95**
	(2) Others**		
	i) Less than 1 year	390.11	442.47
	ii) 1-2 years	8.21	11.24
	iii) 2-3 years	10.03	3.34
	iv) more than 3 years	5.20	2.58
	v) Not due	143.26	96.55
	Total	**556.81**	**556.18**

* Outstanding for following periods from date of transaction

** The ageing includes retention money payable on completion of contractual obligation

(c) There are no disputed trade payables, hence the same is not disclosed in ageing schedule

23 Other current financial liabilities

(₹ in crores)

	As at 31st March, 2022	As at 31st March, 2021
Other financial liabilities measured at amortised cost:		
Escrow deposits received*	54.66	62.35
Salary and wages payable	55.98	55.33
Capital creditors **	172.01	151.96
Other payables	0.27	0.14
Total	**282.92**	**269.78**

* Escrow deposit represents amount received to protect our liability from seller for any possible claims that may arise in future in respect of certain properties.

****Dues to micro and small enterprises (Refer note 36)**		
The Company has certain dues to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'). The disclosure pursuant to the said MSMED Act are as follows.		
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	14.87	4.62

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to the Consolidated Financial Statements as at 31st March, 2022

24 Other current liabilities

(₹ in crores)

	As at 31st March, 2022	As at 31st March, 2021
Statutory dues	46.98	37.12
Others payables	9.15	1.53
Other payables - Related Party (Refer Note : 34)	0.08	2.08
Liability towards corporate social responsibility	2.16	-
Total	**58.37**	**40.73**

25 Provisions

(₹ in crores)

	As at 31st March, 2022	As at 31st March, 2021
Provision for employee benefits		
Gratuity (Refer Note : 46)	7.33	0.04
Leave entitlement	29.11	23.73
Total	**36.44**	**23.77**

Notes

to the Consolidated Financial Statements for the year ended 31st March, 2022

26 Revenue from operations

(₹ in crores)

	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Sale of goods	33,789.62	26,306.45
Sale of goods on approval basis	32.09	31.79
Less : Cost of goods sold on approval basis	(26.81)	(26.63)
	33,794.90	**26,311.61**
Less : Tax	(2,936.50)	(2,239.79)
Other operating income	117.87	71.24
Total	**30,976.27**	**24,143.06**

27 Other income

(₹ in crores)

	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Interest on deposits and advances	103.96	178.13
Rent and amenities service income	3.55	2.89
Gain on sale of current investment	3.66	2.56
Exchange gain (net)	2.70	7.73
Miscellaneous income	3.62	4.90
Total	**117.49**	**196.21**

28 Changes in inventories of stock-in-trade

(₹ in crores)

	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Closing stock	2,742.66	2,248.28
Opening stock	2,248.28	1,947.40
Total	**(494.38)**	**(300.88)**

29 Employee benefits expenses

(₹ in crores)

	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Salaries, allowances and others	530.69	454.26
Expense on employee stock option scheme (Refer Note : 45)	6.41	6.38
Contribution to provident fund and other funds	41.13	32.41
Employee welfare expenses	37.98	43.52
Total	**616.21**	**536.57**

Notes

to the Consolidated Financial Statements for the year ended 31st March, 2022

30 Finance costs

(₹ in crores)

	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Interest on non convertible debentures	-	1.23
Interest Others	53.61	40.17
Finance charges	0.18	0.25
Total	**53.79**	**41.65**

31 Depreciation and amortisation expense

(₹ in crores)

	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Depreciation/ amortisation on:		
- Tangible assets (Refer Note: 2)	339.98	289.23
- Right -of- use assets (Refer Note:3)	142.70	109.70
- Investment property (Refer Note: 4)	0.54	0.59
- Intangible assets (Refer Note: 5)	18.70	15.89
	501.92	**415.41**
Less : Capitalised	(3.84)	(1.25)
Total	**498.08**	**414.16**

32 Other expenses

(₹ in crores)

	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Contract labour charges	706.74	663.29
Rent (Refer Note: 3 & 37)	1.50	1.32
Electricity and fuel charges	207.86	174.20
Insurance	10.65	7.81
Rates and taxes	31.85	26.93
Repairs and maintenance:		
- Building	17.72	17.14
- Plant and machinery	54.47	44.55
- Others	26.92	21.45
Packing expenses	41.68	30.85
Printing & Stationery	18.55	14.13
Communication charges	6.27	5.69
Legal and professional fees	9.40	8.04
Travelling and conveyance	22.71	13.22
Directors fees	1.15	1.01
Payment to auditors		
- Audit fees	0.79	0.69
- Other services	0.01	0.01
Miscellaneous expenses	270.25	240.48
Expenditure towards corporate social responsibility (CSR) activities (Refer Note: 39)	31.80	36.17
Loss on sale/discardment of property, plant and equipment (net)	3.85	1.78
Total	**1,464.17**	**1,308.76**

Notes

to the Consolidated Financial Statements for the year ended 31st March, 2022

33 Tax expenses

(₹ in crores)

	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Tax expense recognised in the statement of Profit and Loss		
(a) Tax expense		
Current tax		
Current tax on profits for the year recognised in statement of profit and loss	546.33	394.69
Current tax on Re-measurements loss on defined benefit plans recognised in OCI	(1.11)	(0.45)
Adjustment of tax related to earlier years	13.29	(13.84)
Total current tax expense	**558.51**	**380.40**
Deferred tax		
Increase in deferred tax		
Total deferred tax expense	12.10	3.17
Total tax expense	**570.61**	**383.57**
(b) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate:		
Accounting profit before tax	2,064.12	1,483.45
Tax calculated at tax rates applicable to profit @ 25.168%	530.13	373.35
Permanent differences due to:		
Donations	0.08	0.01
Deduction taken for 80JJAA others	(4.88)	(4.49)
Corporate social responsibility	8.41	9.10
Interest on income tax	0.09	0.42
Fines and penalty	0.09	0.06
Deduction from income from house property	(1.51)	(0.82)
Loss on sale or discarment of asset	0.97	-
Adjustment of tax related to earlier years	13.29	(13.84)
Others	23.94	19.78
Tax recognised in the statement of profit and loss and OCI	**570.61**	**383.57**

Notes

to the Consolidated Financial Statements for the year ended 31st March, 2022

34 Related party transactions

		Ownership interest	
		31st March, 2022	31st March, 2021
(i)	**Subsidiary companies :**		
	Avenue Food Plaza Private Limited (AFPPL)	100.00	100.00
	Align Retail Trades Private Limited (ARTPL)	100.00	100.00
	Nahar Seth & Jogani Developers Private Limited (NSJDPL)	90.00	90.00
	Avenue E-Commerce Limited (AEL)	99.85	99.86
	Reflect Wholesale and Retail Private Limited	100.00	100.00
(ii)	**Shareholders who exercise control:**		
	Mr. Radhakishan Damani		
	Mr. Gopikishan Damani		
	Mrs. Shrikantadevi Damani		
	Mrs. Kirandevi Damani		
	Bright Star Investments Private Limited		
(iii)	**Directors and Key managerial personnel (KMP):**		
	Mr. Ignatius Navil Noronha (Managing Director and Chief Executive Officer)		
	Mr. Ramakant Baheti (Whole-time Director and Group Chief Financial Officer)		
	Mr. Elvin Machado (Executive Director)		
	Mrs. Manjri Chandak (Non Executive Director)		
	Mr. Ramesh Damani (Chairman and Independent Director)		
	Mr. Chandrashekhar B. Bhave (Independent Director)		
	Ms. Kalpana Unadkat (Independent Director)		
	Mr. Niladri Deb (Chief Financial Officer)		
	Mrs. Ashu Gupta (Company Secretary)		
(iv)	**Entities over which parties listed in (ii) and (iii) above exercise control / significant influence and transactions have taken place with them during the year**		
	7 Apple Hotels Private Limited		
	Bombay Swadeshi Stores Limited		
	Derive Trading and Resorts Private Limited		
	Damani Estates and Finance Private Limited		
	Boutique Hotels India Private Limited		
	Khaitan & Co		
(v)	**Trust :**		
	Avenue Supermarts Limited Employees Group Gratuity Trust		
	D Mart Foundation		

Notes

to the Consolidated Financial Statements for the year ended 31st March, 2022

(b) Transaction with related parties

(₹ in crores)

	31st March, 2022	31st March, 2021
Remuneration to Directors/KMP*	9.28	15.76
Sitting fees to Directors	0.26	0.29
Commission to Independent Directors	0.87	0.72
Mentorship fees	₹1 only	₹1 only
Balances as at :		
Other payable	-	2.08
Other receivables	-	0.07
7 Apple Hotels Private Limited		
Rent and amenities service income	1.37	1.07
Employee Welfare Expenses	0.04	0.05
Reimbursement of expenses	0.13	0.15
Capital Advance for Property, Plant and Equipment	15.00	-
Balances as at :		
Other receivables	0.09	0.06
Other payables	0.01	0.00
Capital Advance for Property, Plant and Equipment	15.00	-
Bombay Swadeshi Stores Limited		
Employee welfare expenses (₹12,000/- Previous year : NIL)	0.00	-
Derive Trading and Resorts Private Limited		
Employee welfare expenses	0.01	0.03
Damani Estates and Finance Private Limited		
Reimbursement of expenses	0.03	6.17
Purchase of Property, Plant and Equipment	146.59	-
Avenue Supermarts Limited Employees Group Gratuity Trust		
Contribution to trust	5.00	8.05
Khaitan & Co		
Professional services	0.02	-
D Mart Foundation		
Contribution to trust	11.17	6.50
Sale of goods	0.06	-
Boutique Hotels India Private Limited		
Employee Welfare Expenses	0.14	-
Balances as at :		
Other Payable	0.07	-

Note :

1. Compensation to Directors/KMP of The Group:

(₹ in crores)

Nature of Benefit	31st March, 2022	31st March, 2021
Short term employment benefits	9.02	15.37
Post employment benefits	0.26	0.39
Sitting fees	0.26	0.29
Commission to independent directors	0.87	0.72

The aforesaid amount does not include amount in respect of gratuity and leave as the same in not determinable.

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35 Assets pledged as security
The carrying amounts of assets pledged as security for current and non-current borrowings are:

(₹ in crores)

	As at 31st March, 2022	As at 31st March, 2021
Current Assets		
Trade receivables	230.86	72.10
Inventories	1,064.90	963.05
Total current assets pledged as security	**1,295.76**	**1,035.15**
Non current assets		
First charge		
Land (Freehold & Leasehold)	-	5.73
Building	-	7.24
Total non-current assets pledged as security	**-**	**12.97**
Total assets pledged as security	**1,295.76**	**1,048.12**

At 31st March 2022, the Parent Company had available ₹635.69 crores (31st March, 2021: ₹489.36 crores) of undrawn committed borrowing facilities.

36 MSME disclosure
The details of amounts outstanding to Micro and Small enterprises under the Micro and Small Enterprises Development Act, 2006 (MSED Act), based on the available information with the company are as under:

(₹ in crores)

		As at 31st March, 2022	As at 31st March, 2021
1	Principal amount not due and remaining unpaid	43.57	25.65
2	Principal amount due and remaining unpaid	3.69	0.93
3	Interest due on (1) above and the unpaid interest	-	-
4	Interest due and payable for the period of delay other than (3) above	-	-

37 Lease disclosure
The group has entered into agreements for taking on lease certain office/store premises, warehouses. The lease term is for period ranging from 1 year to 30 years.

Premises taken on operating lease :

(₹ in crores)

	As at 31st March, 2022	As at 31st March, 2021
Lease rent expenses recognised in the statement of Profit and Loss account	1.50	1.32
The total future minimum lease rent payable for the non cancellable period of lease at the Balance Sheet date :		
- For a period not later than one year	-	-
- For a period later than one year and not later than 5 years	-	-
- For a period later than five years	-	-

Note:- w.e.f 1st April,2019, IND AS 116 “Leases” supersedes IND AS 17 “Leases”. Refer Note 3 for disclosures.

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38 Contingent liabilities and commitments

(a) Contingent liabilities

Claims against the group not acknowledged as debts

(₹ in crores)

	As at 31st March, 2022	As at 31st March, 2021
Income tax matters	3.28	3.27
Indirect tax matters	25.20	7.24
Other matters	-	0.84

It is not practicable for The Group to estimate the timings of cash outflows, if any in respect of above pending resolutions of the respective proceedings.

The Group has reviewed all its pending litigation and proceedings and has adequately provided for where provisions are required and disclosed in contingent liabilities where applicable in it's financial statements. The Group does not expect the outcome of these proceedings to have a materially adverse effect on it's consolidated financial statements.

The Group has process whereby periodically all long term contracts are assessed for material foreseeable losses. At the year end, Group has reviewed and ensured that adequate provision as required under any law/accounting standard for material foreseeable losses on such long term contracts has been made in the books of accounts.

(b) Capital commitments

(₹ in crores)

	As at 31st March, 2022	As at 31st March, 2021
Estimated amounts of contracts remaining to be executed on capital account and not provided for (net of advances) relating to stores under construction	2,703.75	2,848.06

39 Expenditure towards corporate social responsibility (CSR) activities

(₹ in crores)

		For the year ended 31st March, 2022	For the year ended 31st March, 2021
a)	Amount required to be spent as per Section 135 of the Act *	32.78	30.25
	Amount yet to be spend / (spend in excess) during the previous year	(0.98)	4.94
	Total amount to be spend during the year	**31.80**	**35.19**
	Amount spent during the year on:		
	(i) Construction/acquisition of any asset	-	-
	(ii) On purposes other than (i) above	29.64	36.17
	Amount yet to spent/ (spent in excess) during the year on:		
	(i) Construction/acquisition of any asset	-	-
	(ii) On purposes other than (i) above	2.16	(0.98)
	Amount spent during the year for corporate social responsibility (CSR) activities are in cash.		
	* Includes unspent amount of previous year.		
b)	**Details related to spent/unspent obligations**		
	i) Details of amounts spent against ongoing projects	14.92	15.22
	ii) Details of amounts spent against other than ongoing projects	13.93	19.93
	iii) Details of administrative overhead	0.54	1.02
	iv) Amount of Impact Assessment	0.25	-
	v) Unspent amount in relation to :		
	- Ongoing projects	2.16	-
	- Other than ongoing projects	-	-
	Total	**31.80**	**36.17**

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(₹ in crores)

		For the year ended 31st March, 2022	For the year ended 31st March, 2021
c)	**Details of ongoing project and other than ongoing projects**		
	Opening Balance		
	- With Group	(0.98)	4.94
	- In separate CSR unspent A/C	-	-
	Amount required to be spent	41.49	30.25
	Total amount to be spend during the year	**40.51**	**35.19**
	Amount spent during the year		
	- From Group bank A/C	38.40	36.17
	- From separate CSR unspent A/C	-	-
	Closing Balance		
	- With Group	(0.08)	(0.98)
	- In separate CSR unspent A/C	2.16	-

40 Segment reporting

The Group is primarily engaged in the business of retail trades through offline and online channels. There are no separate reportable segments as per IND AS 108 - Operating Segments.

41 The Group has not entered into any derivative transaction during the year. Unhedged foreign currency exposure at the end of the year is NIL.

42 Earnings per share (EPS)

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders by the weighted average number of equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders by the weighted average number of Equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

The following reflects the profit and share data used in the basic and diluted EPS computation:

	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Earnings per share has been computed as under:		
Profit for the year as per statement of Profit and Loss (₹ in crores) :	1,492.55	1,099.49
Weighted average number of equity shares outstanding for basic EPS	647,774,691	647,774,691
Add: Weighted average number of potential equity shares on account of employee stock option schemes	5,118,596	4,818,457
Weighted average number of equity shares outstanding for dilutive EPS	**652,893,287**	**652,593,148**
Earnings Per Share (₹) - Basic (Face value of ₹10 per share)	23.04	16.97
Earnings Per Share (₹) - Diluted (Face value of ₹10 per share)	22.86	16.85

43 (a) Capital risk management

For the purpose of the Group's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity shareholders. The primary objective is to maximise the shareholders value.

The Group manages its capital structure and makes adjustments in light of changes in economic condition and the requirements of the financial covenants. The Parent Company has raised capital by issue of equity shares through an IPO in the previous year ended 31st March, 2017 and Qualified Institutional Placement (QIP) in the year ended March 31, 2020. Certain proceeds from the IPO and QIP have been used for repayment of borrowings which have significantly reduced the group's borrowings and is NIL in the current year.

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The capital structure is governed by policies approved by the Board of Directors and is monitored by various matrices funding requirements are reviewed periodically.

(b) Dividends

The Group has not paid any dividend since its incorporation.

44 Fair values and fair value hierarchy

The carrying amounts of trade receivables, cash and cash equivalents, bank balance other than cash and cash equivalents, other financial assets, trade payables, capital creditors are considered to be same as their fair values, due to their short term nature.

The carrying value of borrowings, lease liabilities, deposits given and taken and other financial assets and liabilities are considered to be reasonably same as their fair values. These are classified as level 3 fair values in the fair value hierarchy due to the inclusion of input that were not observed inputs including counter party credit risk.

45 Share-based payments

(a) Employee stock option plan of Avenue Supermarts Limited

During the year ended 31st March, 2017, the parent company had instituted an Avenue Supermarts Limited Employee Stock Option Scheme, 2016 ("the Scheme") as approved by the Board of Directors dated 23rd July, 2016 for issuance of stock option to eligible employee of the company and of its subsidiaries.

Pursuant to Avenue Supermarts Limited Employee Stock Option Scheme, 2016 Stock options convertible into 1,39,73,325 equity shares of ₹10/- each were granted to eligible employees at exercise price of ₹299/-. Out of the options granted, 45,41,945 options lapsed (31st March, 2021: 44,58,695) and 36,95,605 options were vested (31st March, 2021 : 36,91,105) as at 31st March, 2022. Against the vested options, 36,90,205 (31st March, 2021: 36,90,205) of ₹10/- each were allotted pursuant to exercise of options, and balance 900 (31st March, 2021: 900) options lapsed.

Subject to terms and condition of the scheme, options are classified into three categories.

	Option A	Option B	Option C
No. of options	2,772,525	5,001,075	6,199,725
Method of accounting	Fair value	Fair value	Fair value
Vesting plan	9 years	6 years	2.5 years
Grant date	14th March, 2017	14th March, 2017	14th March, 2017
Exercise/Expiry date	13th March, 2026	13th March, 2023	13th September, 2019
Grant/Exercise price	₹299.00	₹299.00	₹299.00
Method of settlement	Equity - settled	Equity - settled	Equity - settled

Exercise period, would commence from the date of options are vested and will expire at the end of three months from the date of vesting.

Movement of options granted

	For the year ended 31st March, 2022		For the year ended 31st March, 2021	
	Average exercise price per share option	Number of options	Average exercise price per share option	Number of options
Opening balance	299.00	5,823,525	299.00	6,439,125
Granted during the year	299.00	-	299.00	-
Forfeited during the year	299.00	83,250	299.00	615,600
Vested during the year*	299.00	4,500	299.00	-
Closing balance		**5,735,775**		**5,823,525**

* Vested options of 36,95,605 equity shares includes 4,500 share options vested in FY 21-22, 36,73,105 share options vested in FY 19-20, 14,400 share options vested in FY 18-19, 1,200 share options vested in FY 17-18 & 2,400 share options vested in FY 16-17.

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to the Consolidated Financial Statements for the year ended 31st March, 2022

The model inputs for fair value of option granted as on the grant date :

Inputs	Option A	Option B	Option C
Exercise price	₹299.00	₹299.00	₹299.00
Dividend yield	0%	0%	0%
Risk free interest rate	6.98%	7.24%	6.77%
Expected volatility	14.22%	14.22%	14.22%
Fair value per option	₹144.94	₹112.93	₹58.63
Model used	Black Scholes	Black Scholes	Black Scholes

(b) Employee stock option plan of Avenue E-Commerce Limited

During the year ended March 31, 2022, the Company has instituted an Avenue E-Commerce Limited Employee Stock Option Scheme (II), 2022 ("the Scheme") as approved by the Board of Directors dated March 23, 2022 and the resolution of shareholders dated March 28, 2022 for issuance of stock option to eligible employee of the holding Company.

During the year ended March 31, 2022, the Company has instituted an Avenue E-Commerce Limited Employee Stock Option Scheme, 2022 ("the Scheme") as approved by the Board of Directors dated January 07, 2022 and the resolution of shareholders dated January 08, 2022 for issuance of stock option to eligible employee of the holding Company.

During the year ended March 31, 2021, the Company has instituted an Avenue E-Commerce Limited Employee Stock Option Scheme, 2020 ("the Scheme") as approved by the Board of Directors dated September 21, 2020 and the resolution of shareholders dated September 30, 2020 for issuance of stock option to eligible employee of the Company and of its holding company.

During the year ended March 31, 2018, the Company has instituted an Avenue E-Commerce Limited Employee Stock Option Scheme, 2018 ("the Scheme") as approved by the Board of Directors dated February 2, 2018 and the resolution of shareholders dated February 15, 2018 for issuance of stock option to eligible employee of the Company and of its holding company.

Subject to terms and condition of the scheme, options are classified into two categories.

Particulars	Scheme 2022 (II)		Scheme 2022	
	Option A	Option B	Option A	Option B
No. of options	960,600	1,039,400	2,377,260	1,606,840
Method of accounting	Fair value	Fair value	Fair value	Fair value
Vesting plan	9 years	6 years	9 years	6 years
Grant date	March 31, 2022	March 31, 2022	March 23, 2022	March 23, 2022
Exercise/Expiry date	June 30, 2031	June 30, 2028	June 23, 2031	June 23, 2028
Grant/Exercise price	₹22.35	₹22.35	₹22.35	₹22.35
Method of settlement	Equity - settled	Equity - settled	Equity - settled	Equity - settled

Particulars	Scheme 2020		Scheme 2018	
	Option A	Option B	Option A	Option B
No. of options	1,407,000	1,200,500	3,423,800	1,759,800
Method of accounting	Fair value	Fair value	Fair value	Fair value
Vesting plan	9 years	6 years	8 years and 2 months	5 years and 2 months
Grant date	October 01, 2020	October 01, 2020	March 15, 2018	March 15, 2018
Exercise/Expiry date	December 31, 2029	December 31, 2026	August 14, 2026	August 14, 2023
Grant/Exercise price	₹14.06	₹14.06	₹11.30	₹11.30
Method of settlement	Equity - settled	Equity - settled	Equity - settled	Equity - settled

Exercise period, would commence from the date of options are vested and will expire at the end of three months from the date of vesting.

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to the Consolidated Financial Statements for the year ended 31st March, 2022

Movement of options granted

	Scheme 2022			
	For the year ended 31st March, 2022		For the year ended 31st March, 2021	
	Average exercise price per share option	Number of options	Average exercise price per share option	Number of options
Opening balance	22.35	-	22.35	-
Granted during the year	22.35	5,984,100	22.35	-
Exercised during the year	22.35	-	22.35	-
Forfeited during the year	22.35	-	22.35	-
Vested during the year	22.35	-	22.35	-
Closing balance		**5,984,100**		**-**

	Scheme 2020			
	For the year ended 31st March, 2022		For the year ended 31st March, 2021	
	Average exercise price per share option	Number of options	Average exercise price per share option	Number of options
Opening balance	14.06	2,487,500	14.06	2,607,500
Granted during the year	14.06	-	14.06	-
Exercised during the year	14.06	-	14.06	-
Forfeited during the year	14.06	217,500	14.06	120,000
Vested during the year	14.06	-	14.06	-
Closing balance		**2,270,000**		**2,487,500**

Movement of options granted

	Scheme 2018			
	For the year ended 31st March, 2022		For the year ended 31st March, 2021	
	Average exercise price per share option	Number of options	Average exercise price per share option	Number of options
Opening balance	11.30	4,193,000	11.30	4,310,600
Granted during the year	11.30	-	11.30	-
Exercised during the year	11.30	-	11.30	-
Forfeited during the year	11.30	160,800	11.30	117,600
Vested during the year	11.30	-	11.30	-
Closing balance		**4,032,200**		**4,193,000**

The model inputs for fair value of option granted as on the grant date :

Inputs	Scheme 2020		Scheme 2018	
	Option A	Option B	Option A	Option B
Exercise price	₹14.06	₹14.06	₹11.30	₹11.30
Dividend yield	0%	0%	0%	0%
Risk free interest rate	6.34%	5.86%	7.90%	7.60%
Expected volatility	36.21%	36.21%	57.40%	58.90%
Fair value per option	₹14.06	₹14.06	₹11.30	₹11.30
Model used	Black Scholes	Black Scholes	Black Scholes	Black Scholes

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Inputs	Scheme 2022 Option A	Scheme 2022 Option B
Exercise price	₹22.35	₹22.35
Dividend yield	0%	0%
Risk free interest rate	7.01%	6.50%
Expected volatility	39.16%	39.16%
Fair value per option	₹12.22	₹12.22
Model used	Black Scholes	Black Scholes

Expense arising from equity settled share based payments transactions:

(₹ in crores)

	31st March, 2022	31st March, 2021
Avenue Supermarts Limited	6.09	6.05
Align Retail Trades Private Limited	0.04	0.04
Avenue Food Plaza private Limited (₹37,179/-, Previous year: Nil)	0.00	-
Avenue E-Commerce Limited	0.28	0.28
Recognised in the statement of profit or loss	**6.41**	**6.38**

46 Post retirement benefit plans

As per Indian Accounting Standard 19 “Employee benefits”, the disclosures as defined are given below:

Defined Benefit Plan

The Group Company operates a gratuity plan wherein every employees entitled to the benefit equivalent to fifteen days salary last drawn for each year of service. The same is payable on termination of services or retirement whichever is earlier. The benefit vest after five years of continuous service. The gratuity paid is governed by The Payment of Gratuity Act, 1972. The Parent Company contributes to the fund based on actuarial report details of which is available in the table of investment pattern of plan asset, based on which the Parent Company is not exposed to market risk. The following table summarises the component of net benefit expenses recognised in the statement of profit and loss and the funded status and amounts recognised in the balance sheet for respective period.

1 Change in the present value of Defined Benefit Obligation are as follows

(₹ in crores)

	As at 31st March, 2022	As at 31st March, 2021
Present value of benefit obligation at the beginning of the year	45.09	33.67
Interest cost	2.84	2.17
Current service cost	8.56	7.10
Benefit paid from the fund	(2.71)	(0.84)
Actuarial (gains)/losses on obligations - due to change in demographic assumptions (₹40,232/-, (Previous year : NIL))	-	(0.13)
Actuarial (gains)/losses on obligations - due to change in financial assumptions	(1.58)	0.44
Actuarial (gains)/losses on obligations - due to experience	6.72	2.67
Present value of benefit obligation at the end of the year	**58.92**	**45.07**

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2 Change in fair value of Plan Assets

(₹ in crores)

	As at 31st March, 2022	As at 31st March, 2021
Fair value of plan assets at the beginning of the year	42.60	32.62
Interest income	2.67	2.09
Contributions by the employer	5.00	8.05
Benefits paid from the funds	(2.54)	(0.80)
Return on plan assets, excluding interest income	(0.99)	0.62
Fair value of plan assets at the end of the year	**46.74**	**42.58**

3 Change in fair value of Assets and Obligations

(₹ in crores)

	As at 31st March, 2022	As at 31st March, 2021
Present value of benefit obligation at the end of the year	(58.93)	(45.07)
Fair value of plan assets at the end of the year	46.73	42.58
Funded status (surplus/(deficit))	**(12.20)**	**(2.49)**
net liability is bifurcated as follows :		
Current liability	(11.46)	(2.49)
non-current liability	(0.74)	-
net (liability) / assets recognised in the balance sheet	**(12.20)**	**(2.49)**

4 Net benefit expenses recognised during the year

(₹ in crores)

	For the year ended 31st March, 2022	For the year ended 31st March, 2021
In the statement of profit and loss		
Current service cost	8.58	7.10
Net interest cost	0.16	0.08
Net cost	**8.74**	**7.18**
In other comprehensive income		
Actuarial (gains)/losses on obligation for the year	5.15	3.00
Return on plan assets, excluding interest income	0.99	(0.65)
Net (income)/expense for the year recognised in oci	**6.14**	**2.35**

5 All investment of plan asset are done in M/s Avenue Supermarts Limited Employees Group Gratuity Trust which is governed by Board of Trustees.

6 The principal assumptions in determining gratuity defined benefit obligation for the company are as follows

	As at 31st March, 2022	As at 31st March, 2021
Expected return on plan assets	6.73%	6.26%
Rate of discounting	6.73%	6.26%
Rate of salary increase	8.00%	8.00%
Rate of employee turnover	15.00%	15.00%
Mortality rate during employment	Indian Assured Lives Mortality (2012-14)	Indian Assured Lives Mortality (2006-08)
Mortality rate after employment	N.A.	N.A.

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The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary.

The expected rate of return on plan assets is determined considering several applicable factors, mainly the composition of plan assets held, assessed risks, historical results of return on plan assets and the parent company's policy for plan assets management.

7 The expected contributions for Defined Benefit Plan for the future years is as follows :

(₹ in crores)

	As at 31st March, 2022	As at 31st March, 2021
projected benefits payable in future years from the date of reporting		
1st following year	6.89	4.84
2nd following year	6.97	5.16
3rd following year	7.19	5.17
4th following year	6.82	5.20
5th following year	6.45	4.87
Sum of years 6 To 10	25.15	18.99
Sum of years 11 and above	35.02	26.60

8 Sensitivity Analysis

(₹ in crores)

	As at 31st March, 2022	As at 31st March, 2021
Projected benefit obligation on current assumptions	58.93	45.09
Delta effect of +1% change in rate of discounting	(3.11)	(2.48)
Delta effect of -1% change in rate of discounting	3.49	2.79
Delta effect of +1% change in rate of salary increase	3.29	2.63
Delta effect of -1% change in rate of salary increase	(3.00)	(2.39)
Delta effect of +1% change in rate of employee turnover	(0.49)	(0.50)
Delta effect of -1% change in rate of employee turnover	0.53	0.54

There has been no change from the previous year in the method and assumptions used in preparing the sensitivity analysis.

These plans typically exposed the Group company to actuarial risks such as interest risk, salary risk, investment risk, asset liability matching risk and mortality risk.

Gratuity is a defined benefit plan and company is exposed to the Following Risks:
Interest rate risk: A fall in the discount rate which is linked to the G.Sec. Rate will increase the present value of the liability requiring higher provision. A fall in the discount rate generally increases the mark to market value of the assets depending on the duration of asset.

Salary Risk: The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. As such, an increase in the salary of the members more than assumed level will increase the plan's liability.

Investment Risk: The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. If the return on plan asset is below this rate, it will create a plan deficit. Currently, for the plan in India, it has a relatively balanced mix of investments in government securities, and other debt instruments.

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Asset Liability Matching Risk: The plan faces the ALM risk as to the matching cash flow. Since the plan is invested in lines of Rule 101 of Income Tax Rules, 1962, this generally reduces ALM risk.

Mortality risk: Since the benefits under the plan is not payable for life time and payable till retirement age only, plan does not have any longevity risk.

Concentration Risk: Plan is having a concentration risk as all the assets are invested with the insurance companies.

47 Financial risk management
Financial risk management objectives and policies

The Group's financial principal liabilities comprises borrowings, lease liability, trade payables and other payables. The main purpose of these financial liabilities to finance the Group's operation. The Group's main financial assets includes trade and other receivable, cash and cash equivalent, other bank balances derived from its operations.

In addition to risks inherent to our operations, we are exposed to certain market risks including change in interest rates and fluctuation in currency exchange rates.

A) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivable) and from its financial activities including deposits with banks and financial institution.

Credit risk from balances with banks is managed by the group's treasury department in accordance with Group's policy.

The Group operates on business model of primarily cash and carry along with sales to Subsidiary and credit risk from receivable perspective is not significant.

B) Liquidity risk

Liquidity risk is defined as the risk that the Group will not be able to settle or meet its obligations on time, or at a reasonable price. Processes and policies related to such risk are overseen by senior management. Management monitors the group's net liquidity position through rolling forecasts on the basis of expected cash flows.

Maturity patterns of borrowings

(₹ in crores)

	As at 31st March, 2022			
	0-1 years	1-5 years	beyond 5 years	Total
Lease Liability	139.79	486.48	20.67	646.94
Expected interest payable on Lease Liability	61.40	106.97	21.31	189.68
Total	**201.19**	**593.45**	**41.98**	**836.62**

(₹ in crores)

	As at 31st March, 2021			
	0-1 years	1-5 years	beyond 5 years	Total
Lease liability	80.70	286.09	25.92	392.71
Expected interest payable on Lease Liability	37.05	59.25	23.38	119.68
Total	**117.75**	**345.34**	**49.30**	**512.39**

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Maturity patterns of other financial liabilities

(₹ in crores)

	As at 31st March, 2022					
	Overdue/ payable on demand	0-3 months	3-6 months	6 months to 12 months	beyond 12 months	Total
Trade payable	589.20	-	-	-	-	589.20
Payable related to capital goods	172.01	-	-	-	-	172.01
Other financial liabilities (current and non current)	222.48	-	-	-	0.41	222.89
Total	**983.69**	**-**	**-**	**-**	**0.41**	**984.10**

(₹ in crores)

	As at 31st March, 2021					
	Overdue/ Payable on demand	0-3 months	3-6 months	6 months to 12 months	Beyond 12 months	Total
Trade payable	578.13	-	-	-	-	578.13
Payable related to capital goods	151.96	-	-	-	-	151.96
Other financial liabilities (current and non current)	230.48	-	-	-	0.44	230.92
Total	**960.57**	**-**	**-**	**-**	**0.44**	**961.01**

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to the Consolidated Financial Statements for the year ended 31st March, 2022

48 For disclosures mandated by Schedule III of Companies Act 2013, by way of additional information, refer below:

Name of the entity	As at 31st March, 2022 Net assets i.e. total assets minus total liabilities		For the year ended 31st March, 2022 Share in Profit and loss		For the year ended 31st March, 2022 Share in Other comprehensive income		For the year ended 31st March, 2022 Share in total comprehensive income	
	As a % of consolidated net assets	(₹ in crores)	As a % of consolidated profit or loss	(₹ in crores)	As a % of consolidated other comprehensive income	(₹ in crores)	As a % of total comprehensive income	(₹ in crores)
Parent								
Avenue Supermarts Limited	98.52%	13,924.11	108.31%	1,616.17	63.55%	(3.20)	108.47%	1,612.97
Subsidiaries								
1 Align Retail Trades Private Limited	0.84%	117.53	1.15%	17.15	1.02%	(0.05)	1.15%	17.10
2 Avenue Food Plaza Private Limited	0.20%	28.58	0.02%	0.31	0.79%	(0.04)	0.02%	0.27
3 Nahar Seth & Jogani Developers Private Limited	0.03%	4.03	0.04%	0.55	0.00%	-	0.04%	0.55
4 Avenue E-Commerce Limited	0.41%	59.52	(9.52%)	(142.07)	34.84%	(1.75)	(9.67%)	(143.82)
5 Reflect Wholesale and Retail Private Limited	0.00%	0.08	0.00%	(0.01)	0.00%	-	0.00%	(0.01)
Subtotal		**14,133.85**		**1,492.10**		**(5.04)**		**1,487.07**
Inter company elimination and consolidation adjustments		(455.96)		0.30		0.01		0.30
Grand total		**13,677.89**		**1,492.40**		**(5.03)**		**1,487.37**
Minority interest		0.25		(0.15)		-		(0.15)

Name of the entity	As at 31st March, 2021 Net assets i.e. total assets minus total liabilities		For the year ended 31st March, 2021 Share in Profit and loss		For the year ended 31st March, 2021 Share in Other comprehensive income		For the year ended 31st March, 2021 Share in total comprehensive income	
	As a % of consolidated net assets	(₹ in crores)	As a % of consolidated profit or loss	(₹ in crores)	As a % of consolidated other comprehensive income	(₹ in crores)	As a % of total comprehensive income	(₹ in crores)
Parent								
Avenue Supermarts Limited	98.36%	12,305.28	106.02%	1,165.31	75.75%	(1.44)	106.07%	1,163.87
Subsidiaries								
1 Align Retail Trades Private Limited	0.81%	100.42	1.44%	15.80	(4.33%)	0.08	1.45%	15.88
2 Avenue Food Plaza Private Limited	0.19%	23.32	(0.17%)	(1.90)	0.00%	-	(0.17%)	(1.90)
3 Nahar Seth & Jogani Developers Private Limited	0.03%	3.49	0.05%	0.54	0.00%	-	0.05%	0.54
4 Avenue E-Commerce Limited	0.61%	77.51	(7.33%)	(80.62)	28.58%	(0.54)	(7.40%)	(81.16)
5 Reflect Wholesale and Retail Private Limited	0.00%	0.09	0.00%	(0.01)	0.00%	-	0.00%	(0.01)
Subtotal		**12,510.11**		**1,099.12**		**(1.90)**		**1,097.22**
Inter company elimination and consolidation adjustments		(326.00)		0.31		0.00		0.31
Grand total		**12,184.11**		**1,099.43**		**(1.90)**		**1,097.53**
Minority interest		0.40		(0.06)		-		(0.06)

Notes

to the Consolidated Financial Statements for the year ended 31st March, 2022

49 Other Statutory Information

(i) The Group does not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property.

(ii) The Group does not have any transactions with companies struck off.

(iii) The Group does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

(iv) The Group have not traded or invested in Crypto currency or Virtual Currency during the financial year.

(v) The Group have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

(vi) The Group have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,

(vii) The Group have not entered into any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961

(viii) The Group have not revalued its property, plant and equipment (including right-of-use assets) during the year ended 31st March, 2022.

(ix) The Group have not provided loans, advances in the nature of loans, stood guarantee, or provided security to Companies, Firms, limited liability partnerships

(x) The Group have not defaulted in repayment of loans, or other borrowings or payment of interest thereon to any lender.

(xi) The Group have not been declared willful defaulter by any bank, financial institution, government or government authority.

(xii) The quarterly returns/statements filed by the Group with the banks are in agreement with the books of accounts of the Group.

Notes

to the Consolidated Financial Statements for the year ended 31st March, 2022

50 New and amended standards

The Group applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1st April, 2021. The Group has not early adopted any other standard or amendment that has been issued but is not yet effective:

i. Interest Rate Benchmark Reform – Phase 2: Amendments to Ind AS 109, Ind AS 107, Ind AS 104 and Ind AS 116

The amendments provide temporary reliefs which address the financial reporting effects when an interbank offered rate (IBOR) is replaced with an alternative nearly risk-free interest rate (RFR).

The amendments include the following practical expedients:

- A practical expedient to require contractual changes, or changes to cash flows that are directly required by the reform, to be treated as changes to a floating interest rate, equivalent to a movement in a market rate of interest
- Permit changes required by IBOR reform to be made to hedge designations and hedge documentation without the hedging relationship being discontinued
- Provide temporary relief to entities from having to meet the separately identifiable requirement when an RFR instrument is designated as a hedge of a risk component

These amendments had no impact on the consolidated financial statements of the Group. The Group intends to use the practical expedients in future periods if they become applicable.

ii. Conceptual framework for financial reporting under Ind AS issued by ICAI

The Framework is not a Standard and it does not override any specific standard. Therefore, this does not form part of a set of standards pronounced by the standard-setters. While, the Framework is primarily meant for the standard-setter for formulating the standards, it has relevance to the preparers in certain situations such as to develop consistent accounting policies for areas that are not covered by a standard or where there is choice of accounting policy, and to assist all parties to understand and interpret the Standards.

The amendments made in following standards due to Conceptual Framework for Financial Reporting under Ind AS includes amendment of the footnote to the definition of an equity instrument in Ind AS 102- Share Based Payments, footnote to be added for definition of liability i.e. definition of liability is not revised on account of revision of definition in conceptual framework in case of Ind AS 37 - Provisions, Contingent Liabilities and Contingent Assets etc.

The MCA has notified the Amendments to Ind AS consequential to Conceptual Framework under Ind AS vide notification dated June 18, 2021, applicable for annual periods beginning on or after April 1, 2021. Accordingly, the Conceptual Framework is applicable for preparers for accounting periods beginning on or after 1 April 2021.

These amendments had no impact on the consolidated financial statements of the Group.

iii. Ind AS 116: COVID-19 related rent concessions

MCA issued an amendment to Ind AS 116 Covid-19-Related Rent Concessions beyond 30 June 2021 to update the condition for lessees to apply the relief to a reduction in lease payments originally due on or before 30 June 2022 from 30 June 2021. The amendment applies to annual reporting periods beginning on or after 1 April 2021. In case a lessee has not yet approved the financial statements for issue before the issuance of this amendment, then the same may be applied for annual reporting periods beginning on or after 1 April 2020.

These amendments had no impact on the consolidated financial statements of the Group.

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to the Consolidated Financial Statements for the year ended 31st March, 2022

iv. Ind AS 103: Business combination

The amendment states that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Framework for the Preparation and Presentation of Financial Statements in accordance with Indian Accounting Standards* issued by the Institute of Chartered Accountants of India at the acquisition date. Therefore, the acquirer does not recognise those costs as part of applying the acquisition method. Instead, the acquirer recognises those costs in its post-combination financial statements in accordance with other Ind AS.

These amendments had no impact on the consolidated financial statements of the Group.

v. Amendment to Ind AS 105, Ind AS 16 and Ind AS 28

The definition of "Recoverable amount" is amended such that the words "the higher of an asset's fair value less costs to sell and its value in use" are replaced with "higher of an asset's fair value less costs of disposal and its value in use". The consequential amendments are made in Ind AS 105, Ind AS 16 and Ind AS 28.

These amendments had no impact on the consolidated financial statements of the Group.

51 There are no new standards that are notified, but not yet effective, upto the date of issuance of Company's consolidated financial statements

52. Shareholding of Promoters

As at 31st March, 2022

Promoter Name	No of shares at the beginning of the year	Change during the year	No of shares at the end of the year	% of total shares	% change during the year
1. Mr. Radhakishan Damani	222,159,156	-	222,159,156	34.30%	0.00%
2. Mr. Gopikishan Damani	49,480,000	-	49,480,000	7.64%	0.00%
3. Mrs. Kirandevi Damani	14,000,000	-	14,000,000	2.16%	0.00%
4. Mrs. Shrikantadevi Damani	21,250,000	-	21,250,000	3.28%	0.00%
5. M/s Bright Star Investments P Ltd.	88,750,000	-	88,750,000	13.70%	0.00%
6. M/s Royal Palm Private Beneficiary Trust	18,000,000	-	18,000,000	2.78%	0.00%
7. M/s Bottle Palm Private Beneficiary Trust	18,000,000	-	18,000,000	2.78%	0.00%
8. M/s Mountain Glory Private Beneficiary Trust	18,000,000	-	18,000,000	2.78%	0.00%
9. M/s Gulmohar Private Beneficiary Trust	18,000,000	-	18,000,000	2.78%	0.00%
10. M/s Karnikar Private Beneficiary Trust	18,000,000	-	18,000,000	2.78%	0.00%
11. Mrs.Rukmanidevi Mohanlal Bagri (Promoter Group)	100,000	-	100,000	0.02%	0.00%
12. Mrs.Chanda Chandak (Promoter Group)	8,000	-	8,000	0.00%	0.00%
Total	**485,747,156**	**-**	**485,747,156**	**74.99%**	

Notes

to the Consolidated Financial Statements for the year ended 31st March, 2022

As at 31st March, 2021

Promoter Name		No of shares at the beginning of the year	Change during the year	No of shares at the end of the year	% of total shares	% change during the year
1.	Mr. Radhakishan Damani	222,159,156	-	222,159,156	34.30%	0.00%
2.	Mr. Gopikishan Damani	49,480,000	-	49,480,000	7.64%	0.00%
3.	Mrs. Kirandevi Damani	14,000,000	-	14,000,000	2.16%	0.00%
4.	Mrs. Shrikantadevi Damani	21,250,000	-	21,250,000	3.28%	0.00%
5.	M/s Bright Star Investments P Ltd.	88,750,000	-	88,750,000	13.70%	0.00%
6.	M/s Royal Palm Private Beneficiary Trust	18,000,000	-	18,000,000	2.78%	0.00%
7.	M/s Bottle Palm Private Beneficiary Trust	18,000,000	-	18,000,000	2.78%	0.00%
8.	M/s Mountain Glory Private Beneficiary Trust	18,000,000	-	18,000,000	2.78%	0.00%
9.	M/s Gulmohar Private Beneficiary Trust	18,000,000	-	18,000,000	2.78%	0.00%
10.	M/s Karnikar Private Beneficiary Trust	18,000,000	-	18,000,000	2.78%	0.00%
11.	Mrs.Rukmanidevi Mohanlal Bagri (Promoter Group)	100,000	-	100,000	0.02%	0.00%
12.	Mrs.Chanda Chandak (Promoter Group)	8,000	-	8,000	0.00%	0.00%
Total		**485,747,156**	**-**	**485,747,156**	**74.99%**	

53 Ind AS 115 : Revenue from Contracts with Customers

The application of Ind AS 115 did not have any significant impact on recognition and measurement of revenue and related items in the financial statements.

1. Disaggregated revenue information :

Set out below is the disaggregation of the Group's revenue from contracts with customers:

(₹ in crores)

	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Type of goods or service		
Sale of goods	33,789.62	26,306.45
Sale of goods on approval basis net of COGS	5.28	5.16
Other operating income	117.87	71.24
Tax	(2,936.50)	(2,239.79)
Total revenue from contract with customers	**30,976.27**	**24,143.06**
India	30,976.27	24,143.06
Outside India	-	-
Total revenue from contract with customers	**30,976.27**	**24,143.06**
Timing of revenue recognition		
Goods transferred at a point in time	30,858.40	24,071.82
Services transferred over time (Other operating income)	117.87	71.24
Total revenue from contract with customers	**30,976.27**	**24,143.06**

2. Contract balances:

(₹ in crores)

	As at 31st March, 2022	As at 31st March, 2021
Trade receivables	66.89	43.58
Contract liabilities	9.15	1.53

Notes

to the Consolidated Financial Statements for the year ended 31st March, 2022

54 Events after the reporting period

The Group has evaluated subsequent events from the balance sheet date through 14th May, 2022 the date at which the consolidated financial statements were available to be issued, and determined that there are no material items to disclose other than those disclosed above.

55 We have considered the impact of COVID19 as evident so far in our above consolidated financial statements. The Group will also continue to closely monitor any material changes to future economic conditions which necessitate any further modifications.

56 The previous year numbers have been reclassified wherever necessary.

As per our report of even date

For **S R B C & CO LLP**
Chartered Accountants
ICAI firm registration number 324982E/E300003

per **Sudhir Soni**
Partner
Membership No.: 41870

Thane, 14th May, 2022

For and on behalf of Board of Directors of
Avenue Supermarts Limited

Ignatius Navil Noronha
Managing Director and
Chief Executive Officer
DIN: 01787989

Ramakant Baheti
Whole-time Director and
Group Chief Financial Officer
DIN: 00246480

Niladri Deb
Chief Financial Officer

Ashu Gupta
Company Secretary

Thane, 14th May, 2022

Notice of the 22nd Annual General Meeting

Notice is hereby given that the Twenty Second Annual General Meeting of the Members of Avenue Supermarts Limited will be held on Wednesday, 17th August, 2022 at 11:00 a.m. IST through Video Conferencing (VC) or Other Audio Visual Means (OAVM) to transact the following business:

ORDINARY BUSINESS:

1. Adoption of Accounts:

a) To receive, consider and adopt the standalone audited financial statements of the Company for the financial year ended 31st March, 2022 together with the Reports of the Board of Directors and Auditors thereon;

b) To receive, consider and adopt the consolidated audited financial statements of the Company for the financial year ended 31st March, 2022 together with the Reports of Auditors thereon;

2. Retirement by Rotation:

To appoint a Director in place of Mrs. Manjri Chandak (DIN: 03503615), who retires by rotation and being eligible, offers herself for re-appointment;

3. Re-Appointment of Statutory Auditors:

To consider and, if thought fit, to pass, with or without modification(s), the following Resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to Section 139, 141, 142 and other applicable provisions of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 made thereunder (including any statutory modification(s)/ enactment/ re-enactment(s) for the time being in force), S R B C & Co LLP, Chartered Accountants (Firm Registration No. 324982E/E300003) be and are hereby re-appointed as the Statutory Auditors of the Company for a period of five consecutive years to hold office from conclusion of this meeting till the conclusion of 27th Annual General Meeting on such remuneration as maybe recommended by the Audit Committee and approved by the Board of Directors in consultation with the Auditors.

RESOLVED FURTHER THAT the Board of Directors of the Company (including its Committee thereof), be and is hereby authorised to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this Resolution."

SPECIAL BUSINESS:

4. Re-appointment of Ms. Kalpana Unadkat (DIN: 02490816) as an Independent Director of the Company:

To consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

"**RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and other applicable provisions of the Companies Act, 2013, the Companies (Appointment and Qualification of Directors) Rules, 2014, read with Schedule IV to the said Act, applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), Ms. Kalpana Unadkat (DIN: 02490816) who was appointed as an Independent Director of the Company and holds office up to 29th July, 2023 and who meets the criteria prescribed for independence under Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the Listing Regulations and is eligible to be re-appointed as an Independent Director of the Company and in respect of whom the Company has received a notice in writing under Section 160 of the Act, be and is hereby re-appointed for a second consecutive term of 5 (Five) years with effect from 30th July, 2023 upto 29th July, 2028 and shall not be liable to retire by rotation.

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers to any committee of directors with power to further delegate to any other officer(s) / authorized representative(s) of the Company to do all acts, deeds and things and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

5. To approve material related party transaction for sale/ purchase of goods, materials and assets between the Company and Avenue E-Commerce Limited:

To consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

"**RESOLVED THAT** pursuant to the provisions of Section 188 and all other relevant provisions of the Companies Act, 2013 ("Act"), if any, and the rules framed thereunder, the applicable law and the Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") (including, any statutory modification(s) or amendment thereto or re-enactment thereof; the Memorandum and Articles of Association of the Company; and other applicable statutory provisions and regulations, if any, as amended from time to time including any statutory modification(s) or re-enactment(s) thereof and the Company's Policy on Related Party Transactions ("RPT"), basis the approval and recommendation of the Audit Committee and the Board of Directors of the Company and subject to such other necessary registrations, consents, permissions, approvals and sanctions required, if any, from any authorities under any laws or regulations or guidelines, approval of the members of the Company be and is hereby accorded to the Board of Directors (hereinafter referred to as "Board", which term shall include any duly authorized Committee constituted by the Board) for executing and/ or renewing contracts/ transactions or continuing the obligations under previous contracts/agreements for sale/ purchase of goods, materials and assets between the Company and Avenue E-Commerce Limited (hereinafter referred to as "AEL"), (a subsidiary of the Company and a 'Related Party' under Section 2(76) of the Act and Regulation 2(1)(zb) of the Listing Regulations), for a period from date of this meeting till the date of next Annual General Meeting and upto a maximum aggregate value of ₹29,000,000,000 (Rupees Two Thousand Nine Hundred crore only) plus applicable taxes, in the ordinary course of business of the Company and at arm's length basis on such terms and conditions as detailed in the explanatory statement to this Resolution and as may be mutually agreed between the Company and AEL.

RESOLVED FURTHER THAT the Board be and is hereby authorised to do and perform or cause to be done all such acts, deeds, matters and things, including actions which may have been taken, as may be necessary, or deemed necessary or incidental thereto, to enter into the above mentioned contract/ transaction/ arrangement and to execute, deliver and perform all such transaction documents, contracts, deeds, undertakings and subsequent modifications thereto; to file applications and make representations in respect thereof and seek the requisite approvals from the relevant authorities and third parties, including governmental authorities to suitably inform and apply to all the concerned authorities, including in respect of the requirements of the Central and/ or State Government(s) and/ or local authorities; and to take all necessary steps in the matter as it may deem necessary, desirable or expedient, to give effect to the above resolution and to resolve all such issues, questions, difficulties or doubts whatsoever that may arise in this regard.

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of its powers or authorities herein conferred by this resolution to any Committee of Directors and/ or Director(s) and/ or official(s) of the Company/ or any other Officer(s)/ Authorized Representative(s) or any other person(s) so authorized by it, or to engage any advisor, consultant, agent or intermediary as deemed necessary by the Board in accordance with applicable laws and to do all such acts, deeds, matters and things and also to execute such documents, writings etc., as may be considered necessary or expedient to give effect to the aforesaid resolution.

RESOLVED FURTHER THAT all actions taken by the Board or any person so authorized by the Board, in connection with any matter referred to or contemplated in any of the foregoing resolutions, be and are hereby approved, ratified and confirmed in all respects."

6. To approve material related party transaction for further investment in the share capital of Avenue E-Commerce Limited:

To consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

"**RESOLVED THAT** pursuant to the provisions the Companies Act, 2013 ("Act"), and the rules framed thereunder, the applicable law and the Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") (including, any statutory modification(s) or amendment thereto or re-enactment thereof; the Memorandum and Articles of Association of the Company; and other applicable statutory provisions and regulations, if any, as amended from time to time including any statutory modification(s) or re-enactment(s) thereof and the Company's Policy on Related Party Transactions ("RPT") basis the approval and recommendation of the Audit Committee and the Board of Directors of the Company and subject to such other necessary registrations, consents, permissions, approvals and sanctions required, if any, from any authorities under any laws or regulations or guidelines and, approval of the members of the Company be and is hereby accorded to the Board of Directors (hereinafter referred to as "Board", which term shall include any duly authorized Committee constituted by the Board) for further investment in the share capital of Avenue E-Commerce Limited (hereinafter referred to as "AEL") (a subsidiary of the Company and a 'Related Party' under Section 2(76) of the Act and Regulation 2(1)(zb) of the Listing Regulations), for a period from date of this meeting till the date of next Annual General Meeting and upto a maximum aggregate value of ₹3,500,000,000 (Rupees Three Hundred and Fifty crore only), in the ordinary course of business of the Company and on such terms and conditions as detailed in the explanatory statement to this Resolution and as may be mutually agreed between the Company and AEL.

RESOLVED FURTHER THAT the Board be and is hereby authorised to do and perform or cause to be done all such acts, deeds, matters and things, including actions which may have been taken, as may be necessary, or deemed necessary or incidental thereto and to execute, deliver and perform all such transaction documents, contracts, deeds, undertakings and subsequent modifications thereto; to file applications and make representations in respect thereof and seek the requisite approvals from the relevant authorities and third parties, including governmental authorities to suitably inform and apply to all the concerned authorities, including in respect of the requirements of the Central and/ or State Government(s) and/ or local authorities; and to take all necessary steps in the matter as it may deem necessary, desirable or expedient, to give effect to the above resolution and to resolve all such issues, questions, difficulties or doubts whatsoever that may arise in this regard.

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of its powers or authorities herein conferred by this resolution to any Committee of Directors and/ or Director(s) and/ or official(s) of the Company/ or any other Officer(s)/ Authorized Representative(s) or any other person(s) so authorized by it, or to engage any advisor, consultant, agent or intermediary as deemed necessary by the Board in accordance with applicable laws and to do all such acts, deeds, matters and things and also to execute such documents, writings etc., as may be considered necessary or expedient to give effect to the aforesaid resolution.

RESOLVED FURTHER THAT all actions taken by the Board or any person so authorized by the Board, in connection with any matter referred to or contemplated in any of the foregoing resolutions, be and are hereby approved, ratified and confirmed in all respects."

7. **To approve material related party transaction for Management & Business Support Services including deputation of personnel with Avenue E-Commerce Limited:**

To consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

"**RESOLVED THAT** pursuant to the provisions of Sections 188 and all other relevant provisions of the Companies Act, 2013 ("Act"), if any, and the rules framed thereunder, the applicable law and the Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") (including, any statutory modification(s) or amendment thereto or re-enactment thereof; the Memorandum and Articles of Association of the Company; and other applicable statutory provisions and regulations, if any, as amended from time to time, including any statutory modification(s) or re-enactment(s) thereof for the time being in force and the Company's Policy on Related Party Transactions ("RPT") and basis the approval and recommendation of the Audit Committee and the Board of Directors of the Company and subject to such other necessary registrations, consents, permissions, approvals and sanctions required, if any, from any authorities under any laws or regulations or guidelines, approval of the members of the Company be and is hereby accorded to the Board of Directors (hereinafter referred to as "Board", which term shall include any duly authorized Committee constituted by the Board) for executing and/ or renewing contracts/ transactions or continuing the obligations under previous contracts/agreements for Management & Business Support Services including deputation of personnel with Avenue E-Commerce Limited (hereinafter referred to as "AEL") (a subsidiary of the Company and a 'Related Party' under Section 2(76) of the Act and Regulation 2(1)(zb) of the Listing Regulations), for a period of 5 (five) years commencing from financial year 2022-23 to financial year 2026-27, upto a maximum aggregate value of ₹130,000,000 (Rupees Thirteen crore only) plus applicable taxes on an annual basis during the said period, in the ordinary course of business of the Company and at arm's length basis on such terms and conditions as detailed in the explanatory statement to this Resolution and as may be mutually agreed between the Company and AEL.

RESOLVED FURTHER THAT the Board be and is hereby authorised to do and perform or cause to be done all such acts, deeds, matters and things, including actions which may have been taken, as may be necessary, or deemed necessary or incidental thereto and to execute, deliver and perform all such transaction documents, contracts, deeds, undertakings and subsequent modifications thereto; to file applications and make representations in respect thereof and seek the requisite approvals from the relevant authorities and third parties, including governmental authorities to suitably inform and apply to all the concerned authorities, including in respect of the requirements of the Central and/ or State Government(s) and/ or local authorities; and to take all necessary steps in the matter as it may deem necessary, desirable or expedient, to give effect to the above resolution and to resolve all such issues, questions, difficulties or doubts whatsoever that may arise in this regard.

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of its powers or authorities herein conferred by this resolution to any Committee of Directors and/ or Director(s) and/ or official(s) of the Company/ or any other Officer(s)/ Authorized Representative(s) or any other person(s) so authorized by it, or to engage any advisor, consultant, agent or intermediary as deemed necessary by the Board in accordance with applicable laws and to do all such acts, deeds, matters and things and also to execute such documents, writings etc., as may be considered necessary or expedient to give effect to the aforesaid resolution.

RESOLVED FURTHER THAT all actions taken by the Board or any person so authorized by the Board, in connection with any matter referred to or contemplated in any of the foregoing resolutions, be and are hereby approved, ratified and confirmed in all respects."

8. To approve material related party transaction for sharing of turnover generated from premises of the Company by Avenue E-Commerce Limited:

To consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

"**RESOLVED THAT** pursuant to the provisions of Sections 188 and all other relevant provisions of the Companies Act, 2013 ("Act"), if any, and the rules framed thereunder, the applicable law and the Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") (including, any statutory modification(s) or amendment thereto or re-enactment thereof; the Memorandum and Articles of Association of the Company; and other applicable statutory provisions and regulations, if any, as amended from time to time, including any statutory modification(s) or re-enactment(s) thereof and the Company's Policy on Related Party Transactions ("RPT") and basis the approval and recommendation of the Audit Committee and the Board of Directors of the Company and subject to such other necessary registrations, consents, permissions, approvals and sanctions required, if any, from any authorities under any laws or regulations or guidelines , approval of the members of the Company be and is hereby accorded to the Board of Directors (hereinafter referred to as "Board", which term shall include any duly authorized Committee constituted by the Board) for executing and/ or renewing contracts/ transactions or continuing the obligations under previous contracts/agreements for sharing of turnover generated from premises of the Company by Avenue E-Commerce Limited (hereinafter referred to as "AEL") (a subsidiary of the Company and a 'Related Party' under Section 2(76) of the Act and Regulation 2(1)(zb) of the Listing Regulations), for a period of 3 (three) years commencing from financial year 2022-23 to financial year 2024-25 upto a maximum aggregate value of ₹200,000,000 (Rupees Twenty crore only) plus applicable taxes on an annual basis during the said period, in the ordinary course of business of the Company and at arm's length basis on such terms and conditions as detailed in the explanatory statement to this Resolution and as may be mutually agreed between the Company and AEL.

RESOLVED FURTHER THAT the Board be and is hereby authorised to do and perform or cause to be done all such acts, deeds, matters and things, including actions which may have been taken, as may be necessary, or deemed necessary or incidental thereto and to execute, deliver and perform all such transaction documents, contracts, deeds, undertakings and subsequent modifications thereto; to file applications and make representations in respect thereof and seek the requisite approvals from the relevant authorities and third parties, including governmental authorities to suitably inform and apply to all the concerned authorities, including in respect of the requirements of the Central and/ or State Government(s) and/ or local authorities; and to take all necessary steps in the matter as it may deem necessary, desirable or expedient, to give effect to the above resolution and to resolve all such issues, questions, difficulties or doubts whatsoever that may arise in this regard.

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of its powers or authorities herein conferred by this resolution to any Committee of Directors and/ or Director(s) and/ or official(s) of the Company/ or any other Officer(s)/ Authorized Representative(s) or any other person(s) so authorized by it, or to engage any advisor, consultant, agent or intermediary as deemed necessary by the Board in accordance with applicable laws and to do all such acts, deeds, matters and things and also to execute such documents, writings etc. as may be considered necessary or expedient to give effect to the aforesaid resolution.

RESOLVED FURTHER THAT all actions taken by the Board or any person so authorized by the Board, in connection with any matter referred to or contemplated in any of the foregoing resolutions, be and are hereby approved, ratified and confirmed in all respects."

9. To approve material related party transaction for leasing premises to Avenue E-Commerce Limited:

To consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

"**RESOLVED THAT** pursuant to the provisions of Sections 188 and all other relevant provisions of the Companies Act, 2013 ("Act"), if any, and the rules framed thereunder, the applicable law and the Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") (including, any statutory modification(s) or amendment thereto or re-enactment thereof; the Memorandum and Articles of Association of the Company; and other applicable statutory provisions and regulations, if any, as amended from time to time, including any statutory modification(s) or re-enactment(s) thereof for the time being in force and the Company's Policy on Related Party Transactions ("RPT") and basis the approval and recommendation of the Audit Committee and the Board of Directors of the Company and subject to such other necessary registrations, consents, permissions, approvals and sanctions required, if any, from any authorities under any laws or regulations or guidelines, approval of the members of the Company be and is hereby accorded to the Board of Directors (hereinafter referred to as "Board", which term shall include any duly authorized Committee constituted by the Board) for executing and/ or renewing contracts/ transactions or continuing the obligations under previous contracts/agreements for leasing premises to Avenue E-Commerce Limited (hereinafter referred to as "AEL") (a subsidiary of the Company and a 'Related Party' under Section 2(76) of the Act and Regulation 2(1)(zb) of the Listing Regulations), for a period of 3 (three) years commencing from financial year 2022-23 to financial year 2024-25 upto a

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maximum aggregate value of ₹ 600,000,000 (Rupees Sixty crore only) plus applicable taxes on an annual basis during the said period, in the ordinary course of business of the Company and at arm's length on such terms and conditions as detailed in the explanatory statement to this Resolution and as may be mutually agreed between the Company and AEL.

RESOLVED FURTHER THAT the Board be and is hereby authorised to do and perform or cause to be done all such acts, deeds, matters and things, including actions which may have been taken, as may be necessary, or deemed necessary or incidental thereto and to execute, deliver and perform all such transaction documents, contracts, deeds, undertakings and subsequent modifications thereto; to file applications and make representations in respect thereof and seek the requisite approvals from the relevant authorities and third parties, including governmental authorities to suitably inform and apply to all the concerned authorities, including in respect of the requirements of the Central and/ or State Government(s) and/ or local authorities; and to take all necessary steps in the matter as it may deem necessary, desirable or expedient, to give effect to the above resolution and to resolve all such issues, questions, difficulties or doubts whatsoever that may arise in this regard.

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of its powers or authorities herein conferred by this resolution to any Committee of Directors and/ or Director(s) and/ or official(s) of the Company/ or any other Officer(s)/ Authorized Representative(s) or any other person(s) so authorized by it, or to engage any advisor, consultant, agent or intermediary as deemed necessary by the Board in accordance with applicable laws and to do all such acts, deeds, matters and things and also to execute such documents, writings etc., as may be considered necessary or expedient to give effect to the aforesaid resolution.

RESOLVED FURTHER THAT all actions taken by the Board or any person so authorized by the Board, in connection with any matter referred to or contemplated in any of the foregoing resolutions, be and are hereby approved, ratified and confirmed in all respects."

By order of the Board of Directors of
Avenue Supermarts Limited

Ashu Gupta
Company Secretary
Membership No.: FCS 10736

Place: Thane
Date: 14th May, 2022

Registered Office:
Anjaneya CHS Limited, Orchard Avenue
Opp. Hiranandani Foundation School,
Powai, Mumbai – 400 076
CIN: L51900MH2000PLC126473
Tel No.: 022-40496500
Email Id:investorrelations@dmartindia.com
Website: www.dmartindia.com

NOTES:

1. Pursuant to the General Circular Nos. 20/2020, 02/2021, 19/2021, 21/2021 and 2/2022 issued by the Ministry of Corporate Affairs and Circular no. SEBI/HO/CFD/CMD2/CIR/P/2022/62 issued by SEBI (collectively referred to as 'Circulars'), companies are allowed to hold Annual General Meeting through VC/OAVM up to December 31, 2022, without the physical presence of Members at a common venue. Hence, in compliance with the Circulars, the 22nd AGM of the Company is being held through Video Conferencing (VC)/ Other Audio Visual Means (OAVM). The deemed venue for the 22nd AGM shall be the Registered Office of the Company.

2. Since this AGM is being held pursuant to the Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form, Attendance Slip and Route Map are not annexed to this Notice.

3. Participation of Members through VC / OAVM shall be reckoned for the purpose of quorum for the AGM as per Section 103 of the Companies Act, 2013.

4. Explanatory Statement setting out the material facts pursuant to Section 102 of the Companies Act, 2013 and as per the Listing Regulations, concerning resolutions vide item No.3 to 9 in the Notice of this Annual General Meeting is annexed hereto and forms part of this Notice.

5. Statement giving details of the Directors seeking re-appointment is also annexed with this Notice pursuant to the requirement of Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as 'Listing Regulations') and Secretarial Standard on General Meeting ("SS-2").

6. Queries proposed to be raised at the Annual General Meeting may be sent to the Company at e-mail address: investorrelations@dmartindia.com at least seven days prior to the date of Annual General Meeting. The same shall be replied suitably by the Company.

7. All the relevant documents referred to in this AGM Notice and Explanatory Statement etc., Register of Directors' and Key Managerial Personnel and their shareholding maintained under Section 170 and Register of Contracts or Arrangements in which Directors are interested, maintained under Section 189 of the Companies Act, 2013 and other documents shall be available electronically for inspection by the members at the AGM. Members seeking to inspect such documents can send an e-mail to investorrelations@dmartindia.com from their registered e-mail address.

8. Members holding shares of the Company as on Wednesday, 10th August, 2022, shall be entitled to vote at the Annual General Meeting of the Company. A person who is not a member as on the cut-off date should treat this notice for information purposes only.

9. As per the provisions of Section 72 of the Act, facility for making nomination is available to Individuals holding shares in the Company. Members holding shares in physical form who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. Members may download the Nomination Form from the Company's website at www.dmartindia.com. Members holding shares in demat mode should file their nomination with their Depository Participant for availing this facility.

10. In compliance with the Circulars, Notice of the AGM along with the Annual Report 2021-22 is being sent only through electronic mode to those Members whose e-mail addresses are registered with the Company's Registrar and Share Transfer Agent/Depositories. Members may note that the Notice and Annual Report 2021-22 will also be available on the Company's website www.dmartindia.com, websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively and on the website of NSDL https://www.evoting.nsdl.com.

11. Members may please note that SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated 25th January, 2022 has mandated the Listed Companies to issue securities in demat form only while processing service requests viz. Issue of duplicate securities certificate; Renewal/ Exchange of securities certificate; Endorsement; Sub-division/ Splitting of securities certificate; Consolidation of securities certificates/ folios; Transmission and Transposition. Accordingly, members are requested to make service requests by submitting a duly filled and signed Form ISR – 4, the format of which is available on the Company's website at www.dmartindia.com. Members holding equity shares of the Company in physical form are requested to kindly get their equity shares converted into demat/electronic form to get inherent benefits of dematerialisation and also considering that physical transfer of equity shares/ issuance of equity shares in physical form have been disallowed by SEBI.

12. Members holding shares in dematerialised form are requested to intimate all changes pertaining to their bank details such as bank account number, name of the bank and branch details, MICR code and IFSC code, mandates, nominations, power of attorney, change of address, change of name, e-mail address, contact numbers, etc., to their depository participant (DP). Changes intimated to the DP will then be automatically reflected in the Company's records which will help the Company and the Company's Registrar and Share Transfer Agent, Link Intime (India) Private Limited. Members holding shares in physical form are requested to intimate such changes to the Company's Registrar and Share Transfer Agent.

13. The Securities and Exchange Board of India ("SEBI") has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their depository participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company's Registrar and Share Transfer Agent, Link Intime (India) Private Limited.

14. **Instructions for remote e-Voting and e-voting during the AGM:**

    a. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (as amended), the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has availed services of National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorised agency. The facility of casting votes by a member using remote e-voting system as well as voting on the date of the AGM will be provided by NSDL.

    b. The remote e-voting period commences on Sunday, 14th August, 2022 (9:00 a.m. IST) and ends on Tuesday, 16th August, 2022 (5:00 p.m. IST). During this period members of the Company, holding shares as on the cut-off date of Wednesday, 10th August, 2022, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.

    c. The voting right of members shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date.

    d. The details of the process and manner for remote e-voting are explained herein below:

Step 1: Access to NSDL e-Voting system

A. Login method for e-Voting and joining virtual meeting for Individual members holding securities in demat mode

In terms of SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 9th December, 2020 on e-Voting facility provided by Listed Companies, Individual members holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Members are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual members holding securities in demat mode is given below:

Type of members	Login Method
Individual Members holding securities in demat mode with NSDL	Existing **IDeAS** user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the **"Beneficial Owner"** icon under **"Login"** which is available under **'IDeAS'** section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on **"Access to e-Voting"** under e-Voting services and you will be able to see e-Voting page. Click on company name or **e-Voting service provider i.e. NSDL** and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select **"Register Online for IDeAS Portal"** or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or **e-Voting service provider i.e. NSDL** and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

	Members/Members can also download NSDL Mobile App **"NSDL Speede"** facility by scanning the QR code mentioned below for seamless voting experience. **NSDL Mobile App is available on** App Store Google Play
Individual Members holding securities in demat mode with CDSL	Existing users who have opted for Easi/ Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi. After successful login of Easi/Easiest the user will be also able to see the e-voting Menu. The Menu will have links of **e-Voting service provider i.e. NSDL**. Click on **NSDL** to cast your vote. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. **NSDL** where the e-Voting is in progress.
Individual Members (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Members holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Members holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 224430
Individual Members holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 or 022-23058542-43

B. Login Method for e-Voting and joining virtual meeting for members other than Individual members holding securities in demat mode and members holding securities in physical mode.

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile.

2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/ Member' section.

3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at https://eservices.nsdl.com/ with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

Your User ID details are given below:

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12****** then your user ID is IN300***12******
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12************** then your user ID is 12**************
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

4. Your password details are given below:

   a) If you are already registered for e-Voting, then you can user your existing password to login and cast your vote.

   b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.

   c) How to retrieve your 'initial password'?

      (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8-digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

      (ii) If your email ID is not registered, please follow steps mentioned below in process for those members whose email ids are not registered.

5. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:

   a) Click on "Forgot User Details/Password?"(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.

   b) Physical User Reset Password?" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.

   c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address etc.

   d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

6. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

7. Now, you will have to click on "Login" button.

8. After you click on the "Login" button, Home page of e-Voting will open.

Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.

How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.

2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join Meeting".

3. Now you are ready for e-Voting as the Voting page opens.

4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.

5. Upon confirmation, the message "Vote cast successfully" will be displayed.

6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.

7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

Process for those members whose e-mail ids are not registered with the depositories for procuring user id and password and registration of e-mail ids for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode please provide Folio No., Name of member, PAN (self-attested scanned copy of PAN card), AADHAAR (self-attested scanned copy of Aadhaar Card) by e-mail to investorrelations@dmartindia.com or to Link Intime (India) Private Limited at rnt.helpdesk@linkintime.co.in

2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAAR (self-attested scanned copy of Aadhaar Card) to investorrelations@dmartindia.com or to Link Intime (India) Private Limited at rnt.helpdesk@linkintime.co.in. If you are an Individual members holding securities in demat mode, you are requested to refer to the login method explained at step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual members holding securities in demat mode.

3. Alternatively member may send an e-mail request to evoting@nsdl.co.infor obtaining User ID and Password by providing the details mentioned in Point (1) or (2) as the case may be.

4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual members holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Members are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

The instructions for members for e-voting on the day of the AGM are as under:

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.

2. Only those Members, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system in the AGM.

3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

4. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and e-voting user manual for Members available at the download section of www.evoting.nsdl.com or call on toll free No. 1800 1020 990 and 1800 22 44 30 or send a request to Mr. Amit Vishal, Asst. Vice President - NSDL at evoting@nsdl.co.in.

General Guidelines for members

1. Institutional members (i.e. other than individuals, HUF, NRI etc.) are required to upload their Board Resolution / Power of Attorney / Authority Letter by clicking on "Upload Board Resolution / Authority Letter" displayed under "e-Voting" tab or send a scanned copy (PDF/JPG Format) of the relevant Board Resolution/Authority letter etc. with attested specimen signature of the duly authorised signatory(ies) who are authorised to vote, to the Scrutiniser by e-mail to hsk@rathiandassociates.com with a copy marked to evoting@nsdl.co.in.

2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.

Other instructions

1. The Company has appointed Mr. Himanshu S. Kamdar (Membership No.: FCS 5171), Partner of M/s. Rathi & Associates, Practicing Company Secretaries, as scrutiniser (the 'Scrutiniser') for conducting the e-voting and remote e-voting process for the Annual General Meeting in a fair and transparent manner.

2. The members who have cast their vote by remote e-voting may attend the meeting through VC / OAVM but shall not be entitled to cast their vote again.

3. A person, whose name is recorded in the register of members or in the register of beneficial owners as on the cut-off date, Wednesday, 10th August, 2022 only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through e-voting.

4. Any person holding shares in physical form and non-individual members, who acquires shares of the Company and becomes a Member of the Company after sending of Notice and holding shares as of the cut-off date i.e. Wednesday, 10th August, 2022, may obtain the login ID and password by sending a request at evoting@nsdl.co.in. However, if he / she is already registered with NSDL for remote e-Voting then he / she can use his/ her existing User ID and password for casting the vote. If you forget your password, you can reset your password by using “Forgot User Details/Password” option available on www.evoting.nsdl.com. In case of Individual Members holding securities in demat mode and who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date may follow steps mentioned below under “Login method for remote e-Voting and joining virtual meeting for Individual members holding securities in demat mode.”

5. The Scrutiniser shall after the conclusion of voting at the AGM, will count the votes cast at the meeting through e-voting and thereafter unblock the votes cast through remote e-voting and shall not later than two working days of the conclusion of the AGM, make a consolidated scrutiniser’s report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing, who shall countersign the same and declare the result of the voting forthwith.

6. The Results declared along with the report of the Scrutiniser shall be placed on the website of the Company www.dmartindia.com and on the website of NSDL www.evoting.nsdl.com immediately. The Company shall simultaneously forward the results to National Stock Exchange Limited of India and BSE Limited, where the shares of the Company are listed.

Instructions for Members for attending the AGM through VC/OAVM are as under:

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for Access to NSDL e-Voting system. After successful login, you can see link of “VC/OAVM link” placed under “Join Meeting” menu against company name. You are requested to click on VC/OAVM link placed under Join Meeting menu. The link for VC/OAVM will be available in Shareholder/ Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice.

2. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

3. The Members can join the AGM in the VC/OAVM mode 30 minutes before the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/ OAVM will be made available for 1,000 members on first come first served basis. This will not include large Members (Members holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors, Secretarial Auditors, etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

4. Members who need assistance before or during the AGM, can contact NSDL on evoting@nsdl.co.in / 1800 1020 990 / 1800 224 430 or contact Mr. Amit Vishal, Asst. Vice President – NSDL or Ms. Soni Singh, Assistant Manager – NSDL at evoting@nsdl.co.in.

5. Members who would like to express their views/ask questions during the meeting may register themselves as a speaker and send request from their registered e-mail address mentioning their name, demat account number / folio number, e-mail id, mobile number at investorrelations@dmartindia.com from Friday, 12th August, 2022 (9:00 a.m. IST) to Sunday, 14th August, 2022 (5:00 p.m. IST). Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

ITEM NO. 3:
At the 17th AGM of the Company held on 6th September, 2017, members had approved appointment of S R B C & Co LLP, Chartered Accountants (Firm Registration No. 324982E/ E300003), as Statutory Auditors of the Company, to hold office till the conclusion of the 22nd AGM.

In accordance with the provisions of Sections 139, 141 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") read with the Companies (Audit and Auditors) Rules, 2014 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), S R B C & Co LLP, Chartered Accountants have provided their consent and eligibility certificate to the effect that, their re-appointment, if made, would be in compliance with the applicable laws.

The Board of Directors at their meeting held on 14th May, 2022, based on recommendation of the Audit Committee, have approved the re-appointment of S R B C & Co LLP, Chartered Accountants, as the Statutory Auditors of the Company for a second term of 5 (five) years i.e., from the conclusion of this AGM till the conclusion of 27th AGM. The re-appointment is subject to approval of the members of the Company.

The Board of Directors has approved a total remuneration of ₹ 66.15 lakhs for conducting the audit for the financial year 2022-23, excluding applicable taxes and reimbursement of out-of-pocket expenses on actuals. The remuneration proposed to be paid to Statutory Auditors shall be commensurate with the services rendered by them during the said tenure. The Board of Directors in consultation with the Audit Committee may alter and vary the terms and conditions of re-appointment, including remuneration, in such manner and to such extent as may be mutually agreed with the Statutory Auditors.

ITEM NO. 4:
The members of the Company at its Annual General Meeting held on 28th August, 2018 had approved appointment of Ms. Kalpana Unadkat as Non-Executive Independent Director on the Board of the Company pursuant to the provisions of Section 149 of the Companies Act, 2013 (hereinafter referred to as 'the Act') read with the Companies (Appointment and Qualification of Directors) Rules, 2014, for a period of five (5) years w.e.f. 30th July, 2018.

Ms. Kalpana Unadkat, Non-Executive Independent Director of the Company, has given a declaration to the Board that she meets the criteria of Independence as provided under Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"). The Company has received notice in writing under Section 160 of the Act proposing herself as a candidate for office of Independent Director of the Company.

Ms. Kalpana has the requisite qualification, skills, experience and expertise in specific functional areas, which is beneficial to the Company and based on the outcome of her performance evaluation during the current term, Nomination and Remuneration Committee recommended and Board of Directors of the Company approved at their respective meetings held on 14th May, 2022, her re-appointment as a Non-Executive Independent Director for the second term of 5 (Five) consecutive years on the Board of the Company w.e.f. 30th July, 2023.

In the opinion of the Board, Ms. Kalpana fulfills the conditions specified in the Act, its rules framed thereunder and Listing Regulations for re-appointment as Independent Director and she is Independent of the management. Accordingly, the Board of Directors recommends the special resolution set out in Item No. 4 for approval of the members of the Company.

The required details as per the Secretarial Standards ("SS-2") and Regulation 36(3) of the Listing Regulations, are provided at Annexure A of this Notice. The draft letter of appointment setting out terms and conditions of re-appointment of the said Director shall be open for inspection by the Members through electronic mode.

Except Ms. Kalpana and her relatives, none of the Promoters, Directors, Key Managerial Personnel of the Company and their relatives is, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 4 of the Notice.

ITEM NO. 5 to 9:
The Companies Act, 2013 ("the Act") read with the Companies (Meetings of Board and its Powers) Rules, 2014 states that no Company shall enter into transaction with a Related Party except with the consent of the Board and members of the Company, where such transactions are not in ordinary course of business or on arm's length basis.

The transactions with the related party as set out in Item No. 5 to 9 are at arm's length and in the ordinary course of business of the Company. Further, pursuant the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and more specifically Regulation 23 of the Listing Regulations, material transactions (including material modifications as defined by the audit committee) with related parties shall require prior approval of members of the Company through an ordinary resolution. A Material Related Party Transaction means a transaction entered into/ to be entered into with a related party, individually or taken together with previous transactions during a financial year, exceeds ₹10,000,000,000 (Rupees One Thousand crore only) or 10% of the annual consolidated turnover of the Company as per the last audited financial statements of the listed entity, whichever is lower.

The Company, in ordinary course of its business, regularly enters into transactions with the related parties from time to time which are pre-approved by the Audit Committee/ Board of Directors as per the Act and Regulation 23 of the Listing Regulations, as applicable.

Since the aggregate value of transactions with Avenue E-Commerce Limited (hereinafter referred to as "AEL"), a subsidiary of the Company and a 'Related Party' as per Section 2(76) of the Act and Regulation 2(1)(zb) of the Listing Regulations, as mentioned in Item no. 5 to 9 of this Notice, is expected to exceed threshold limit of ₹10,000,000,000 (Rupees One Thousand crore only) during the year, hence the Company hereby proposes to seek members approval for the below mentioned material related party transactions by way of an Ordinary Resolution as per provisions of Regulation 23 of Listing Regulations.

AEL is engaged in the business of online and multi-channel grocery retail under the brand name of DMart Ready. Customers of AEL can view and purchase a broad range of grocery and household products through mobile app and web site. AEL offer customers the choice of picking up their online orders from any of the designated Pick-Up Points or get them delivered at the customer's doorstep. At many Pick-Up Points, AEL also offer a select range of merchandise available for instant purchase.

AEL completed 5 (five) years of service in the e-commerce space in January 2022. During the financial year 2021-22, it expanded its service coverage to include 500+ pin codes in 9 (nine) cities including Mumbai Metropolitan Region, Pune, Bangalore, Hyderabad, Ahmedabad, Surat, Vadodara, Bhopal, and Indore. AEL also operates a small format grocery store under the brand name, DMart miniMAX. It has two DMart miniMAX stores – one in Mumbai and another in Hyderabad.

The Board of Directors based on recommendation of the Audit Committee at their meeting held on 14th May, 2022, have approved to enter into and/ or continue with contracts/ transactions previously entered into/ to be entered into, with AEL (whether individual transaction or transactions taken together or series of transactions or otherwise) in the ordinary course of business of the Company and at arm's length basis.

The relevant information pertaining to transactions with AEL as required under Rule 15 of Companies (Meetings of Board and its Powers) Rules, 2014, as amended and SEBI circular No. SEBI/HO/CFD/CMD1/CIR/P/2021/662 dated 22nd November, 2021 is given below:

Sr. No.	Particulars	Details			
1.	Name of the related party	Avenue E-Commerce Limited			
2.	Nature of Relationship	Subsidiary Company			
3.	Details of Transaction	Type, material terms and particulars of the proposed transaction	Tenure of the proposed transactions	Amount	Justification as to why the related party transaction is in the interest of the Company
	Sale/ purchase of goods, materials and assets between the Company and AEL;	Sale/ purchase of goods, materials and assets at landed cost of material plus markup upto 3% (three per cent) (net)	Omnibus approval for a period from the date of this meeting till the date of next Annual General Meeting	Upto ₹29,000,000,000 (Rupees Two Thousand Nine Hundred crore Only) plus applicable taxes	AEL is able to service online customers of DMart with a compelling price proposition by buying merchandise (and assets) from the Company, where ASL recovers all costs of such procured items and a markup upto 3% (three per cent) to negate any negative impact on its P&L. This serves as a sustainable procurement model to leverage buying efficiencies utilizing economies of scale at no additional cost to ASL.
	Further investment in share capital of AEL	Investment in share capital of AEL on preferential basis	Omnibus approval for a period from the date of this meeting till the date of next Annual General Meeting	Upto ₹3,500,000,000 (Rupees Three Hundred and Fifty crore Only)	The investments will be made from funds earmarked by the Company to support AEL for expanding online business based on valuation received from registered valuers. No indebtedness is/ will be incurred for making investment in the shares of AEL. AEL shall utilize said funds for its operational and working capital requirements.

Management & Business Support Services including deputation of personnel	Providing business support services including employee services, top management and technical advisory, accounting services and usage of owned brand/ marks	Five years	Upto ₹30,000,000 (Rupees Three crore only) plus applicable taxes on an annual basis during the said period	ASL with its expertise in retailing has established certain competencies which can be used to scale the e-commerce business to enhance its competitiveness in serving customers across multiple channels.
	Deputation of personnel shall be at actual cost of deputed employees;		Upto ₹100,000,000 (Rupees Ten crore only) plus applicable taxes on an annual basis during the said period	Deputation of ASL employees working full time for AEL at actual cost.
Sharing of turnover generated by AEL from premises of the Company	Turnover sharing ratio: upto 9.50% (nine point five per cent) of sales net of GST	Three years	Upto ₹200,000,000 (Rupees Twenty crore Only) plus applicable taxes on an annual basis during the said period	This arrangement allows faster expansion of online business in newer cities for AEL, by avoiding large capex spends till the business reaches a certain scale. The Company recovers all costs incurred by it to support the additional activities from AEL. Once the online business reaches a sizeable number, AEL will progress to create dedicated infrastructure on its own.
Leasing of premises	Leasing of premises to operate pick-up points/ facility centres/ offices of AEL at various locations based on valuation of properties and at arm's length basis	Three years	Upto ₹600,000,000 (Rupees Sixty crore Only) plus applicable taxes on an annual basis during the said period	Leasing of premises owned/ operated by ASL for expansion of AEL business in various cities of India thereby enabling faster expansion in newer territories. The Company obtains valuation report for transactions related to leasing of premises which will be made available on request from members, wherever applicable.
Aggregate Value	**₹3,343 crore (Rupees Three Thousand Three Hundred and Forty Three crore only)**			
% to Annual Consolidated Turnover of the Company that is represented by the value of the proposed transaction.			10.79%	
% to Annual Turnover of AEL on standalone basis that is represented by the value of the proposed transaction.			203.10%	

The proposed related party transactions between the Company and AEL are purely for the purpose of furthering the main business activities ensuring that it would be in the best interest of the Company and towards achieving synergies and economies of scale; reduce operational costs and strengthen sustainability.

Apart from Mr. Ignatius Navil Noronha, Mr. Ramakant Baheti and Mrs. Manjri Chandak, who are Directors on the Board of the Company and of AEL and Mr. Niladri Deb, who is a Key Managerial Personnel of the Company and of AEL, no other Promoter, Directors, Key Managerial Personnel of the Company and their relatives are deemed to be concerned or interested, financially or otherwise, in the said resolution.

All entities falling under definition of related party of the Company shall abstain from voting irrespective of whether the individual/ entity is party to the particular transaction or not. The Board of Directors recommends the resolution set forth in Item No. 5 to 9 for approval of the members as an Ordinary Resolution.

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ANNEXURE-A

DETAILS OF DIRECTORS RETIRING BY ROTATION AND SEEKING RE-APPOINTMENT AT THE ANNUAL GENERAL MEETING

Mrs. Manjri Chandak	
Age	37 years
Date of appointment on the Board	31st March, 2011
Qualifications	B.Com. and Masters in Finance and Investments.
Nature of expertise & experience	Mrs. Manjri Chandak completed her Graduation from HR College of Commerce and Economics, Mumbai. Post her graduation she started her career as a Research Associate at ASK Investment Managers Private Limited, where she was largely working for equity market research. This rich experience helped her in pursuing Masters in Finance and Investments from University of Nottingham, UK, specializing in Retail Marketing. She has vast experience in the field of retail spanning across 13 years and in areas of operations, buying and merchandising. She has visited several fairs and made sourcing her key strength. Currently, she manages Bombay Swadeshi Stores Ltd., which is a chain of 22 handicraft retail stores.
Relationship with other Director/ Key Managerial Personnel	Not related to any Director/ Key Managerial Personnel.
Terms and conditions of appointment/ re-appointment	Liable to retire by rotation.
Remuneration last drawn	Refer to Directors' Report and Corporate Governance Report forming part of the Annual Report.
Remuneration proposed to be paid	Mrs. Chandak being a Non-executive Director shall be paid sitting fees for attending Board and/ or Committee Meetings.
Number of meetings of the Board attended during the financial year (2021-22)	5
Directorships held in other companies	• Avenue E-Commerce Limited • Bombay Swadeshi Stores Limited • Bombay Store Retail Company Limited • Reflect Wholesale & Retail Private Limited • Align Retail Trades Private Limited • Palya Footwear Private Limited
Memberships/ Chairmanships of committees of other companies	• Avenue E-Commerce Limited Finance & Operations Committee – Member ESOP Committee – Member • Bombay Swadeshi Stores Limited Stakeholders Relationship Committee - Chairperson
No. of shares held in the Company	NIL

Ms. Kalpana Unadkat	
Age	51 years
Date of appointment on the Board	30th July, 2018
Qualifications	• Solicitor, Mumbai • Solicitor, England & Wales • Bachelor of Law • Bachelor of Commerce
Nature of expertise & experience	Ms. Kalpana Unadkat is a solicitor and a senior partner at the Mumbai office of Khaitan & Co. Prior to joining Khaitan & Co., she worked at the London office of Ashurst LLP for 10 years. Since returning to Mumbai in 2008, she specialises in cross-border joint ventures and mergers & acquisitions. Ms. Kalpana's focus is on representing corporates and their boards on strategic matters. She helps clients in a broad range of complex corporate transactions, such as mergers, acquisitions, divestitures, joint ventures, spin-offs, etc. Ms. Kalpana has a consultative and collaborative style. She regularly acts for international companies and is widely recognised as one of the leading lawyers. Ms. Kalpana is a well-recognized expert on diversity and leadership development. Her passion is to reform corporate governance principles to increase the number of women in decision-making. She has led several workshops and advises clients on board effectiveness, particularly around issues of corporate governance, leadership, organisational climate, and decision-making. Her clients benefit from her vast knowledge, particularly regarding disclosures, board and committee structure and composition, executive compensation, and compliance policies and corporate governance matters. She is Best known for her co-authored research "Women on Board", Ms. Kalpana is a go-to lawyer for boards and general counsels in relation to corporate governance matters. She has been frequently quoted in newspapers on corporate governance and M&A deals in India. She has been awarded "the Corporate Governance Lawyer of the Year, India" in 2019; The Rising Women of the Year Award in 2019 by Economic Times and Spencer Stuart; The Corporate Governance Lawyer for India Award in 2018 by M&A Today; The Female Lawyer of the Year for 2017 by ACQ Global Law Awards; The Women in Law Awards by Lawyer Monthly in 2017; and The Women Super Achiever Award by World HRD Congress in 2017. Ms. Kalpana is a Co-chair of the Corporate Governance Committee (Western Region) of the Confederation of Indian Industry for 2022-23 and is also an independent director on the board of listed public companies.
Relationship with other Director/ Key Managerial Personnel	Not related to any Director/ Key Managerial Personnel.
Terms and conditions of appointment/ re-appointment	It is proposed to re-appoint Ms. Kalpana Unadkat as an Independent Director of the Company for a period of Five (5) years w.e.f. 30th July, 2023, not liable to retire by rotation.
Remuneration last drawn	Refer to Directors' Report and Corporate Governance Report forming part of the Annual Report.
Remuneration proposed to be paid	Ms. Kalpana being a Non-executive Independent Director shall be paid sitting fees for attending Board and/or Committee Meetings and commission, as approved by the Members of the Company.
Number of meetings of the Board attended during the financial year (2021-22)	5
Directorships held in other companies	• TVS Credit Services Limited • Eris Lifesciences Limited
Memberships/ Chairmanships of committees of other companies	• TVS Credit Services Limited Risk Management Committee– Member Nomination & Remuneration Committee – Chairperson Stakeholder Relationship Committee – Member • Eris Lifesciences Limited Audit Committee – Member Stakeholder Relationship Committee – Member Risk Management Committee – Member
No. of shares held in the Company	NIL

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